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U.S. Department of State Foreign Affairs Manual Volume 4 Handbook 3
Financial Management Procedures Handbook

4 FAH-3 H-390 CASHIER OPERATIONS

*(CT:FMP-87; 01-07-2015)
(Office of Origin: CGFS/FPRA/FP)*

4 FAH-3 H-391 PURPOSE

(CT:FMP-38; 06-07-2007)

The Department of State operates in many culturally diverse countries and economies. As a result, a cashier operation is an essential activity that requires Department of State specific policies and procedures. This subchapter of the Foreign Affairs Handbook (FAH) identifies the policies and procedures for managing domestic and overseas cashiers and the funds provided for cashier activities. All Department of State cashiers, as well as other agency cashiers designated under the Department of the Treasury authorities delegated to the Department of State, must follow the provisions in this subchapter.

4 FAH-3 H-391.1 Overview

(CT:FMP-61; 10-07-2010)

- a. All Department of State payments are made by check or electronic funds transfer (EFT) or other noncash mechanism, except as provided for in this subchapter. This payment policy applies to all Federal payments made for the Department of State and other agencies, as well as miscellaneous payments including, but not limited to:
 - (1) Interagency payments;
 - (2) Grants;
 - (3) Loans;
 - (4) Fees and other payments related to U.S. marketable and nonmarketable securities;
 - (5) Overpayment reimbursements; and
 - (6) Payments under Federal insurance or guarantee programs for loans.
- b. The Department of State authority to make imprest fund cash payments is derived from the November 1999 Department of the Treasury Imprest Fund Policy Directive. This directive requires Federal agencies to eliminate the use of imprest fund, unless a waiver is invoked. All overseas and domestic imprest funds are subject to the November 1999 directive and must limit payments accordingly.

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- c. Cash payments may be made if there is a 31 CFR 208.4 waiver and one of the following circumstances apply:
 - (1) Payment is less than \$25;
 - (2) Payment is needed where the political, financial, or communications infrastructure of a foreign country does not support payment by a noncash mechanism;
 - (3) Payment involves national security interests, military operations, law enforcement, or national disasters; and
 - (4) Payment must be made to deal with an emergency situation.
- d. Overseas imprest funds in existence prior to May 1, 2005 may operate under a 31 CFR 208.4 waiver. When there is a need to permanently increase or decrease an existing overseas imprest fund balance, the requesting official must identify the need for the imprest fund, the waiver authority in 31 CFR 208.4, and the specific circumstances under which the fund will operate. This requirement also applies to any request to establish a new overseas imprest fund. Temporary advances to existing imprest funds for time periods that are less than 90 days do not need to cite a waiver justification.
- e. Consistent with the purpose of the Treasury Policy Directive, all existing domestic imprest funds must be reviewed and justified. Imprest funds that cannot meet the requirements in 4 FAH-3 H-391.1, paragraphs b and c, must be terminated. All domestic imprest funds must be reviewed annually and, consistent with overseas requirements in 4 FAH-3 H-391.1, paragraph d, officials requesting a new domestic imprest fund must justify the need for the fund, the waiver authority in 31 CFR 208.4, and the specific circumstances under which the fund will operate.
- f. Full compliance with the documentation required by 4 FAH-3 H-391.1, paragraphs d and e, begins with the publication of this section.
- g. Only a duly designated and authorized cashier may operate an imprest fund. Principal cashiers overseas initially receive an advance by electronic funds transfer (EFT) or check payable to the cashier from a U.S. disbursing officer (USDO). Cashiers will receive replenishment funds in the same manner. The cashier may not deposit checks or cash in a bank account or any other financial institution or operate the fund by issuing checks/electronic fund transfers without the specific approval from the USDO. Domestic cashiers receive advances from their own bureau funds, and the cash on hand must be kept to the minimum needed to meet normal requirements. Check disbursements or EFT transactions by a domestic cashier must be authorized in the designation.
- h. The cashier is an accountable officer and is personally responsible and accountable for safeguarding uncashed U.S. Government reimbursement checks, cash on hand, payroll cash (when authorized), cash and checks from accommodation and reverse accommodation exchange, consular receipts received for deposit, sales slips, invoices, and other receipts for cash payments.

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All cashiers with a cash advance from a Department of State USDO must comply with the policies and procedures in 4 FAH-3 H-390 and 4 FAH-2 H-830. Cashiers will be held personally accountable for repayment of shortages and losses unless relief from accountability is granted.

- i. All fiscal irregularities (shortages and/or overages regardless of the amount) must be reported to the Department of State in accordance with the procedures identified at 4 FAH-3 H-397.3. The Department of State Committee of Inquiry into Fiscal Irregularities will be responsible for determining the appropriate action to take for amounts of \$500 or more, unless the irregularity is associated with a domestic cashier:
 - (1) **Domestic fiscal irregularities:** The \$500 limit is not applicable to domestic cashiers. All fiscal irregularities associated with domestic cashiers must be reported to and handled by the Committee;
 - (2) **Overseas fiscal irregularities:** The chief of mission (COM) has the authority to determine and take the appropriate action for amounts under \$500.
- j. All laws and regulations in the FAM/FAH that restrict or prohibit specific types of disbursements of U.S. Government funds apply to disbursements from the imprest fund.
- k. When an EFT transaction cannot be made, an authorized imprest fund cashier may make payments for the following:
 - (1) To vendors for previously approved purchases of goods or services;
 - (2) To employees as advances for specifically authorized purposes; and
 - (3) To employees as reimbursements for authorized expenditures.
- l. The cashier's supervisor at each foreign post and each domestic office must display the following:
 - Cashier's hours of operation
 - Current day currency exchange rate (when applicable)
 - Privacy Act Notice
 - Post policy for cashier services (see 4 FAH-3 H-399.4)

4 FAH-3 H-392 DEFINITIONS

(CT:FMP-73; 06-27-2013)

Accommodation exchange: The conversion of U.S. dollars into the currency of the host country (local currency) or another currency. The term describes the process of the selling local currency for U.S. dollars.

Accountable officer: An officer or employee who is designated as such or in possession of official funds. This individual is personally accountable for all

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funds advanced to or in possession of the individual until one of the following occurs:

- (1) The funds are returned to the U.S. disbursing officer (USDO), bureau, or cashier who advanced them;
- (2) The funds are deposited in the proper U.S. Government depository account.

The accountable individual may be granted relief if certain conditions are met. (See 4 FAH-3 H-397.5 for authorities to grant relief.)

Alternate cashier: An officer, direct-hire permanent employee, or a duly authorized personal services agreement (PSA) or personal services contract (PSC) employee hired under 22 U.S.C. 2669 or equivalent authority (see 4 FAH-3 H-393.1-1, paragraph b) of a Federal department, agency, or U.S. Government corporation who has been appropriately designated and who receives an advance from his/her Class A or B cashiers. An alternate cashier functions in such capacity only during the absence of a principal cashier or subcashier, except where the volume of transactions requires both principal and alternate to operate at the same time. The cashier supervisor cannot be the alternate cashier, and the alternate cashier cannot be the supervisor unless authorized by the servicing USDO. All cashier policies and procedures that apply to principal cashiers also apply to their alternates. The alternate cashier is an accountable officer.

Cash management officer: The Deputy Chief Financial Officer (CGFS/DCFO) is the principal cash management official at the Department of State. This officer has the responsibility for prescribing policies and procedures governing cash management; overseeing initiatives to improve cash management; prescribing the Department of State reporting requirements for fiscal irregularities; and reporting externally on cash management improvement initiatives.

Cash verification officer: An employee who verifies cashier funds and performs tasks that verifies the cashier is reporting accurate information. The cash verification officer (CVO) is generally the U.S. citizen supervisor of the cashier. However, under circumstances authorized in 4 FAH-3 H-397.1-2, another individual may be delegated CVO responsibilities.

Cashier: An officer, direct-hire permanent employee, or duly authorized personal services agreement (PSA) or personal services contract (PSC) employee hired under 22 U.S.C. 2669 or equivalent authority (see 4 FAH-3 H-393.1-1, paragraph b) of a Federal department, agency, or U.S. Government corporation who is designated as a cashier by a delegated Department of State approving official or USDO and is authorized to perform limited cash disbursing functions or other cash operations as authorized by the official cashier designation. Contractors may not be cashiers. A cashier is an accountable officer. The following cashier designations are utilized in the Department of State and by other agencies at U.S. missions overseas:

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- (1) **Class A cashier:** An officer, direct-hire permanent employee, or PSA of a Federal department, agency, or U.S. Government corporation who has been appropriately designated and receives an advance from a USDO or domestically from bureau funds. A Class A cashier is authorized to advance funds to his/her own alternate but not to another cashier or subcashier. Overseas, the Class A cashier is an accountable officer who is accountable to the USDO but under the supervision of a non-USDO U.S. citizen officer. Domestically, the Class A cashier is an accountable officer who must follow instructions and guidance issued by the Office of Global Disbursing Operations (CGFS/DO) even when the employee is supervised by U.S. citizen official in a domestic bureau or consular office;
- (2) **Class B cashier:** An officer, direct-hire permanent employee, or PSA of a Federal department, agency, or U.S. Government corporation who has been appropriately designated and receives an advance of Department of the Treasury funds from a USDO supporting overseas operations or domestically from bureau-appropriated funds. The Class B cashier is authorized to advance funds to his/her own alternate and to a subcashier. Overseas, the Class B cashier is an accountable officer who is accountable to the USDO but under the supervision of a non-USDO U.S. citizen officer. Domestically, the Class B cashier is an accountable officer who must follow instructions and guidance issued by CGFS/DO even when the employee is supervised by U.S. citizen official in a domestic bureau or consular office.

Cashier supervisor: A U.S. citizen direct-hire employee responsible for the cashier and cashier operation at a domestic or overseas location. The supervisor is responsible for evaluating cashier performance and performs duties and responsibilities essential for the internal control of cashier funds advanced to the cashier. The cashier supervisor is not an accountable officer for the cashier advance or under the authority of the USDO, but the supervisor may be disciplined for mismanagement of the cashier advance. The cashier supervisor must implement USDO or CGFS/DO instructions on matters related to cashier accountability.

Domestic cashier: When used in this section, a domestic cashier means a Class A or B cashier of the Department of State who has been appropriately designated by CGFS/DO and operates in the United States. A domestic cashier performs all transactions in U.S. dollars and is not authorized to make accommodation exchanges. A domestic cashier is an accountable officer under authorities delegated to CGFS/DO, even when the employee is supervised by a domestic or consular bureau officer. Advances to domestic cashiers must be charged to a Department of State appropriation when the cashier is established.

Imprest fund: A fixed-cash or petty cash fund in the form of currency, coin, or U.S. Government check that has been authorized by a Department of State official or USDO to an appropriately designated cashier for cash payments or other cash requirement purposes as specified in the designation. The fund is

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established with an advance to the cashier and may be a revolving type, replenished to the fixed amount as used, or a nonrevolving type, such as a change-making fund. An imprest fund is a method of payment, not an authorization for payment. Designations are processed in accordance with the procedures in 4 FAH-3 H-393.2-1 and 4 FAH-3 H-393.2-2.

Occasional money holders: An employee who is required to handle funds for a specific purpose. An employee is designated to serve as an occasional money holder overseas or domestically either by an element of the individual's job description or by an authorizing letter or memo signed by the employee's U.S. citizen supervisor, financial management officer (FMO), or management officer. A personal services agreement (PSA) or a personal services contract (PSC) employee of the Department of State or agency exempt from Office of Federal Procurement Policy (OFPP) Policy Letter No. 92-1 "Inherently Governmental Functions" may be designated an occasional money holder. Contractors that are not exempt PSAs or PSCs may not be occasional money holders. The occasional money holder is an accountable officer (see 4 FAH-3 H-394.4).

Overseas cashier: When used in this section, an overseas cashier means a Class A or B cashier operating outside of the United States, Alaska, or Hawaii. An overseas cashier is an accountable officer under USDO authority, supervised by an U.S. citizen officer. Advances to overseas cashiers are made at personal risk, whereby the individual is personally responsible for any loss to the funds unless relieved of this responsibility. Advances at personal risk are charged to Department of the Treasury funds available to the servicing USDO. These advances are not charged to Department of State appropriations until replenishment takes place.

Pre-paid U.S. debit card: A branded (e.g., VISA, MasterCard, American Express, etc.) debit card that is part of a U.S. Government program established to assist unbanked travelers that require travel advances. Once an advance is loaded on the card and given to the traveler, the funds belong to the traveler for travel purposes and costs. These cards are solely for local employee travel outside the country of residence and when appropriate, these cards may be used for advances to host country officials traveling on invitational orders.

Reverse accommodation exchange: The purchase of local currency for U.S. dollars.

Subcashier: An officer, direct-hire permanent employee, or a duly authorized personal services agreement (PSA) or personal services contract (PSC) employee hired under 22 U.S.C. 2669 or equivalent authority (see 4 FAH-3 H-393.1-1, paragraph b) of a Federal department, agency, or U.S. Government corporation who has been appropriately designated by an authorizing letter or memo signed by the employee's U.S. citizen supervisor and approved by the FMO or management officer to receive an advance from a Class B cashier. Contractors may not be subcashiers, and when a subcashier advance level is U.S. dollar equivalent (USDE) 10,000 or more, the designation is valid only with

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the approval of the servicing USDO. The subcashier is accountable to the Class B cashier. The subcashier is an accountable officer. (See 4 FAH-3 H-399.1 for subcashiers of agencies other than Department of State.)

U.S. disbursing officer (USDO): A U.S. citizen officer authorized to receive, disburse money, and account for all official funds entrusted to that employee. The USDO is an accountable officer operating under a Department of the Treasury delegation to disburse U.S. Government funds.

4 FAH-3 H-393 ESTABLISHING THE FUND

4 FAH-3 H-393.1 General Cashier Responsibilities and Sources of Fund Advances

(CT:FMP-30; 04-29-2005)

- a. The cashier may make payments from the imprest fund cash advance only for goods and services that have been authorized in accordance with Department of State and post procurement procedures. Cashiers are authorized to advance funds to employees (e.g., travel, salary, etc.) and pay reimbursement vouchers for authorized reasons (e.g., official residence expense, representation, petty cash purchases, etc.). All transactions must be consistent with 4 FAH-3 H-391.1 and 4 FAH-3 H-394.
- b. The cashier is responsible for all official funds received and for accounting for all transactions at all times. Overseas, the advance from the USDO is not charged to a Department of State appropriation or fund account; domestically, the advance is charged against a bureau's funds.

4 FAH-3 H-393.1-1 Required Qualifications to be Designated a Cashier

(CT:FMP-87; 01-07-2015)

- a. Only persons with the integrity and ability to perform fiscal services in a responsible manner should be considered for a cashier designation.
- b. Only a direct-hire, permanent employee of the Department of State of any nationality or employees hired under personal services agreement (PSA) or personal services contract (PSC) authorities (e.g., 22 U.S.C. 2669, 22 U.S.C. 2396(a)(3), etc.) that are exempt from Office of Federal Procurement Policy (OFPP) Policy Letter No. 92-1 "Inherently Governmental Functions" may be designated by the servicing USDO to be a Department of State cashier. All designated cashiers must read, write, and speak English with sufficient fluency to understand and carry out the duties and responsibilities of the cashier function. Standards of accountability are the same for PSA, PSC, and direct-hire cashiers. The designation request must state that employee's PSA or PSC

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employment documentation is properly prepared and duly authorizes the individual to perform cashiering functions. The Department of State will only designate PSAs or PSCs for State and the Agency for International Development (AID) if the Department of the Treasury has not specifically authorized the Department of State to designate PSA or PSC cashiers for the requesting agency. (See 4 FAH-2 H-813.1 for USDO designation requirements for AID and other agency cashiers.)

- c. An employee is granted a permanent designation as an overseas cashier after completing the CGFS-sponsored basic cashier course and passing the examination. The USDO may make a temporary designation (not to exceed 180 days) to allow a candidate the opportunity to complete the course. However, the USDO must revoke the temporary designation if the candidate is unable to complete the course and pass the examination within the 180-day period. The candidate must achieve a passing grade in the course and may not fail the exam more than twice. If three or more attempts are needed to pass the exam, the USDO must concur with any proposals to allow an additional attempt to pass the exam. (See 4 FAH-2 H-814 for additional details.)
- d. Before an employee is designated a domestic cashier by CGFS/DO, the employee should complete appropriate training consistent with assigned duties. A domestic cashier is not required to take the CGFS course required for an overseas cashier (see 4 FAH-3 H-393.1-1, paragraph c). Training courses available *through* the U.S. Department of Agriculture, General Services Administration, and other training facilities are appropriate. In addition, all domestic cashiers must be given operational instructions for their duties and information on personal liability for U.S. Government funds in the possession or control of cashiers, alternates, and their supervisors. Minimum training must also include instruction on cashier controls, the appropriate forms or systems that must be used, and any required procedures to document cashier activities performed at the assigned duty station. Any domestic cashier or bureau supervisor that has questions regarding the minimum training requirement for domestic cashiers, the systems, required procedures that must be followed, or forms that must be used to maintain good internal control should contact CGFS/DO. In addition, all domestic cashiers and domestic bureau supervisors should visit and review the information at the U.S. Treasury Financial Management Web site.
- e. An authorized certifying officer **must not** be designated as a cashier without the specific approval of the Office of Financial Policy (CGFS/FPRA/FP). Replenishment vouchers prepared by the authorized certifying officer in the capacity of a cashier may not be certified by that officer. The certifying officer may not certify a voucher (except a payroll voucher) authorizing a payment to the certifying officer.

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4 FAH-3 H-393.2 Request and Designation

4 FAH-3 H-393.2-1 Overseas Designation of Cashiers

(CT:FMP-73; 06-27-2013)

- a. The Department of State has been delegated authority from the Chief Disbursing Officer, the Department of the Treasury, to designate cashiers. Designated Office of the Assistant Secretary for Global Financial Services (CGFS) officials and the U.S. disbursing officers (USDO) for the Department of State may execute designations of cashiers.
- b. Send requests for designation of overseas cashiers to the servicing USDO. All requests must comply with 4 FAH-3 H-391.1, paragraph d. Requesting officers should be the financial management officer (FMO) or post management officer. At very small posts where an FMO or management officer is not present, the cashier supervisor may submit the request when this person is the U.S. citizen supervisor for this function. The principal officer or management officer, when an FMO or U.S. citizen supervisor submits a request, must approve all requests.
- c. When the USDO receives the request for designation of an overseas cashier, he or she will review and approve the request, if appropriate, and send a telegraphic designation to the requesting official, the authorized certifying officer at the fiscal servicing post, and the cashier. The USDO will seek additional information if the request does not meet all of the requirements for designation and must deny the request for designation if the person does not meet all of the requirements.
- d. The servicing USDO must designate subcashiers when their total advance amount is over 10,000 U.S. dollars or its U.S. dollar equivalent (USDE) when local currency is involved. The post cashier supervisor is responsible for notifying and requesting USDO designation for a subcashier when the subcashier advance will exceed USDE 10,000. The post FMO or management officer designates subcashiers with advances of USDE 10,000 or less if approved by the chief of mission (COM).
- e. A Department of State USDO may not designate employees of another agency as Class A or B cashiers without the concurrence of the Office of the Associate Comptroller (CGFS/S). While the USDOs may designate other agencies employees as subcashiers to Department of State principal cashiers in accordance with 4 FAH-3 H-399.1, designations for other agency employees to be Class A or B cashiers must be approved by both CGFS/S and the servicing USDO. Agency appeals of decisions to not designate a particular cashier may be made to the CGFS.
- f. The request to have another agency employee designated as a Class A or B cashier must originate with the employing agency and must be justified. The written request (e.g., signed memo, telegraphic message, etc.) must state that the requested employee is qualified; has met the same training requirements

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as a Department of State employee; and agrees to follow Department of State policies and procedures, including any instructions from the servicing USDO. In addition, the requesting document must state that in the event of a fiscal irregularity, the requesting agency agrees to cover all USDO advances within 90 days and to resolve all fiscal irregularities directly with the employee.

g. More detailed designation procedures for overseas cashiers are found in 4 FAH-2 H-813 and chapter 2 of the Cashier User Guide (CUG). The procedure for requesting a subcashier advance is also found in chapter 2 of the CUG. Roles and responsibilities of cashiers, cashier supervisors, and cashier monitors are contained in 4 FAH-3 H-393.3 and 4 FAH-2 H-812.

4 FAH-3 H-393.2-2 Designating Cashiers in the United States

(CT:FMP-73; 06-27-2013)

- a. **Request:** To establish a new imprest fund or request a cashier designation in the United States, the bureau or office executive director must submit a request to CGFS/S. All requests must comply with requirements in 4 FAH-3 H-391.1, paragraph e.
- b. **Designation:** When CGFS/S receives a request, it will review, approve, and send copies of the designation to the requesting official, the authorized certifying officer, and the cashier. CGFS/DO will seek additional information if the request does not meet all of the requirements for designation. Imprest fund advances for domestic cashiers are processed on Form DS-4013, Request for Change or Establishment of Imprest Funds.

4 FAH-3 H-393.2-3 Request for Increase or Decrease

(CT:FMP-73; 06-27-2013)

- a. When an increase of an overseas cashier's advance is required and the current advance (in dollars and/or dollars/local currency) is more than USDE 10,000, or the increase would cause the advance to exceed USDE 10,000, the post must submit a request for this increase to the servicing USDO. All requests must comply with 4 FAH-3 H-391.1, paragraph d, and instructions in chapter 3 of the Cashier User Guide (CUG).
- b. When a request for an increase for a subcashier would not cause the advance to exceed USDE 10,000, the designation is handled in accordance with 4 FAH-3 H-393.2-1.
- c. When a bureau wants to increase or decrease the advance held by its domestic cashier, the bureau must submit Form DS-4013 to CGFS/S for approval and follow any instructions CGFS/S requires for compliance with 4 FAH-3 H-391.1, paragraph e.

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4 FAH-3 H-393.2-4 Designating Office Files

(CT:FMP-73; 06-27-2013)

The office authorized to designate cashiers is responsible for maintaining the official cashier files. CGFS/DO maintains the domestic cashier designation files. Each USDO who makes cashier designations must maintain the overseas cashier designation files and a master list of cashiers designated by that office, to include the following information:

- Complete name
- Employment status
- Location
- Maximum amount of designation
- Name of principal cashier if designee is an alternate or subcashier
- Special authorizations

4 FAH-3 H-393.2-5 Cashier Files

(CT:FMP-38; 06-07-2007)

- a. Regardless of location, each Class B cashier, alternate (if designated), and subcashier must establish and maintain in a file:
 - (1) A copy of the initial request for and confirmation of designation and of the memorandum, cable, or letter of designation concerning the initial advance;
 - (2) A copy of all correspondence covering increases or decreases;
 - (3) Any other correspondence pertaining to the advance;
 - (4) Any exception documentation or questions about payments made by a cashier and subsequent correspondence concerning corrective action (corrective action documentation is a record that substantiates the actions taken for each adjustment or reentered transaction);
 - (5) Copies of all cashier reconciliations and audits performed over the last 18 months;
 - (6) For Class B cashiers, copies of all alternate and subcashier designations, pertinent correspondence, and documents relating to the accountability of alternates and subcashiers (alternates and subcashiers are responsible for sending copies of all designations and verifications to the Class B cashier);
 - (7) Any voided Form OF-158, General Receipt, documents, regardless of how generated (preprinted or system); and
 - (8) A copy of all correspondence and documents related to cashier irregularities, the reports to the Committee on Inquiry into Fiscal Irregularities, and their disposition.
- b. Cashiers must maintain files and documentation on currency activities,

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deposits, collections, transfers to the operating advance, and all other items in transit and on hand comprising the accountability. Overseas cashier files must be sufficient to show compliance with the CUG procedures and USDO instructions. File retention periods (5 FAM 430) may change over time and with the introduction of new technology, but the minimum time for most cashier records is 3 years. Maintain domestic cashier files in accordance with the Department of State's Records Management Handbook (5 FAH-4) procedures, and periodically review retention periods. Overseas cashiers should refer to the filing instructions in the Cashier User Guide (CUG), Chapter 15.2.

4 FAH-3 H-393.2-6 Cashier Forms and Guides

(CT:FMP-73; 06-27-2013)

Cashiers are responsible for ensuring that they have current cashiering forms if such forms are not system generated. All cashiers must be aware of the forms identified and required by various sections of 4 FAH-3 H-390, CGFS/DO, or the servicing USDO. Cashiers are responsible for advising supervisors of any need. Overseas cashiers must also be familiar with the CUG posted on the CGFS Web site. Domestic cashiers should be familiar with the instructions issued by the Office of Global Disbursing Operations (CGFS/DO) and the Treasury Cashier's Manual.

4 FAH-3 H-393.3 Responsibilities

4 FAH-3 H-393.3-1 Cash Management Officer

(CT:FMP-38; 06-07-2007)

The Deputy Chief Financial Officer (DCFO) is the cash management officer (CMO) for the Department of State and:

- (1) Prescribes policies and procedures for managing and reporting on cash activities domestically and overseas;
- (2) Prescribes policies, procedures, and processes for resolving fiscal irregularity matters; and
- (3) Promulgates initiatives and programs that will improve cash management and prompt payments in the Department of State.

4 FAH-3 H-393.3-2 Global Financial Services (GFS)

(CT:FMP-73; 06-27-2013)

The Assistant Secretary for Global Financial Services (GFS) is responsible for cash operations and matters related to:

- (1) Delegating authority to USDOs to approve designations of cashiers

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worldwide;

- (2) Ensuring that domestic cash verifications are being made as required by 4 FAH-3 H-390;
- (3) Providing guidance and instructions to USDOs, financial management officers, cashier supervisors, and cashiers on the conduct of and matters relating to domestic and overseas cashier operations;
- (4) Monitoring the amount of each domestic cashier's advance to determine if it is at a minimum level to meet the needs of the organization or office; and
- (5) Coordinating with the Deputy Chief Financial Officer (DCFO) on fiscal irregularity matters and ensuring that any DCFO-directed audit and investigative, reporting, and accounting requirements for fiscal irregularities are being met.

4 FAH-3 H-393.3-3 Post Financial Management Officer/Cashier's Supervisor and Domestic Bureau Financial Officer

(CT:FMP-38; 06-07-2007)

- a. Although staffing arrangements vary between posts and domestic organizations, a post financial management officer (FMO), cashier's supervisor, or domestic bureau financial management officer is responsible for:
 - (1) Determining the need for cashier operations, including imprest fund payments and collection activities;
 - (2) Initiating and processing documentation for the designation, change, and revocation of cashier designations; changes in the amount of the fund to achieve the Department of State's cash management objectives; and preparing requests to obtain or cancel special authorizations, i.e., accommodation exchange or travelers checks;
 - (3) Performing monthly, unannounced verifications of cashier activities under the officer's supervision;
 - (4) Providing guidance and overall supervision to individual cashiers on the operational requirements of the cashier function and resolving operational problems; and
 - (5) Coordinating regional security officer (RSO) or domestic security requirements governing cashier security and the transportation of cash.
- b. Supervisory personnel failing to carry out or oversee the requirements cited in 4 FAH-3 H-390 may be subject to disciplinary action by the Department of State.

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4 FAH-3 H-393.3-4 Cashier Responsibilities

(CT:FMP-41; 08-01-2007)

- a. Cashiers, when specifically authorized by their individual cashier designations, are responsible for one or more of the following:
 - (1) Making payments and obtaining required receipts for goods and services, such as local transportation and small purchases;
 - (2) Making interim advances and obtaining required receipts from occasional money holders for authorized payments and small purchases;
 - (3) Making travel advances and obtaining required receipts;
 - (4) Making advances to, and obtaining required receipts from, designated alternates or subcashiers;
 - (5) Performing accommodation and reverse accommodation exchange and completing required documentation;
 - (6) Making change when a local bank is not available and the service is authorized in the post policy governing cashier services provided to post employees and/or temporary duty (TDY) visitors (see 4 FAH-3 H-399.4);
 - (7) Selling travelers checks if authorized for travel advances and completing the required documentation (see 4 FAH-3 H-399.5);
 - (8) Depositing a portion of the Class B cashier's local currency cash advance in a cashier checking account (when authorized) and obtaining the required receipts supporting disbursements by check or electronic funds transfer;
 - (9) Receiving collections from and providing required receipts to consulate cashiers and other subcashiers and from employees, contractors, and others for official collection, such as reimbursement of telephone fees, authorized use of official vehicles, etc.;
 - (10) Receiving consular fees and providing required receipts;
 - (11) Receiving and disbursing Suspense Deposits Abroad (SDA) funds and completing required documentation as authorized and approved by the post financial management officer;
 - (12) Receiving and disbursing payrolls for Foreign Service national (FSN) employees as authorized and approved by the servicing U.S. disbursing officer (USDO). These funds, although not part of the cashier's advance, are part of the cashier's accountability and must be handled in the same manner as other official funds. The cashier must verify the identity of and the authority of each payee to receive payment and must obtain a receipt for each payment. The cashier is fully accountable for these funds from the time received until payroll distribution and a complete accounting is made;
 - (13) Preparing a daily reconciliation of all funds in the possession of the cashier;

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(14) Safeguarding the funds and all related documents;

(15) Depositing local currency checks drawn on foreign banks with the locally designated depositary;

(16) Operating the fund in strict and complete compliance with the regulations in 4 FAH-3 H-390, the Cashier User Guide (CUG), and other official instructions;

(17) Making a daily reconciliation of any cashier account, processing interest and bank fees for the account, and recording all movement of funds in official cashier software; and

(18) Processing collections received in USDO account and processing of deposits for those funds.

b. A cashier is personally accountable for the fund and all related documents until all payment requests are certified for payment by an authorized certifying officer and paid by the cashier, and until all cash is deposited in the proper depositary account, or in the event of a loss or shortage, relief of accountability is granted as provided in 4 FAH-3 H-397 and 4 FAM 375.3, subparagraph (2). The cashier must be able to account for the full amount of funds being held at any given time. Funds may consist of cash, uncashed U.S. Government checks, sales slips, invoices or other receipts for cash payments, unpaid reimbursement vouchers, or interim receipts for cash entrusted to other individuals for specific purposes.

c. A cashier is responsible for safeguarding all official funds and documents. The cashier is not authorized to commingle his or her own funds or any other money or documentation with U.S. Government funds and documents.

d. A cashier must not, at any time and for any length of time, loan cash from imprest funds; use the funds for personal purposes or benefit; or deposit public money in financial institutions, unless specific authorization is provided by the servicing USDO.

e. The cashier must keep complete and accurate records of the funds held.

f. Cashiers may not perform personal banking functions for individuals.

4 FAH-3 H-393.4 Advance of Funds to Cashiers

4 FAH-3 H-393.4-1 Composition of Advance

(CT:FMP-38; 06-07-2007)

a. Cashiers may be advanced funds up to the dollar amount shown on their official designation. Domestic Class B cashiers hold funds in dollars only. Overseas Class B cashiers may hold funds in dollars and/or local currency equivalent to the authorized dollar amount.

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b. For overseas Class B cashiers, the ratio of U.S. dollars to local currency is based upon estimated needs. A portion may also be held in additional currencies, if necessary, when approved by the financial management officer (FMO) and the servicing U.S. disbursing officer (USDO). The relative composition of the advance will be maintained by requesting replenishment in the currency disbursed.

4 FAH-3 H-393.4-2 Amount of Advance

(CT:FMP-73; 06-27-2013)

- a. The financial management officer (FMO) or agency supervisor at post or the responsible officer in the domestic bureau must determine the initial permanent advance amount for a new cashier operation and state that amount in the designation request.
- b. A cashier's accountability is authorized as a maximum U.S. dollar amount, but the actual accountable amount is constantly fluctuating as a result of the cashier's activity. For example, if a cashier with an authorized advance of U.S. dollar equivalent (USDE) 5,000 (cash on hand) receives a single collection of USDE 15,000, the cashier's accountability is temporarily increased to USDE 20,000. If the cashier then deposited USDE 17,000 into the USDO's account, the cashier's accountability would be decreased to USDE 3,000, though the cashier's maximum authorization remains at USDE 5,000.
- c. The advance may not exceed the actual needs of the cashier. Normally, the amount of the advance is the amount of funds the cashier requires for one week's activity, plus an amount sufficient to cover replenishment turnaround time. Turnaround time is considered to be from the date the cashier releases the replenishment voucher for certifying to the date the cashier receives the corresponding replenishment check/electronic funds transfer(s) (EFT(s)). Under no circumstance may the advance exceed the average cash disbursements for a 1-month period.
- d. When conditions warrant, an increase or decrease in the amount of a cashier's advance authorization or a revised official designation must be processed with justification in the same manner as initial designation. (See 4 FAH-3 H-391.1, paragraph d, or 4 FAH-3 H-391.1, paragraph e, as applicable, and 4 FAH-3 H-393.2.) The U.S. disbursing officer (USDO) provides additional cash to the cashier, or excess cash is returned by the cashier, consistent with approved requirements.
- e. The FMO, management officer, or domestic officer responsible for determining the cashier's advance requirement must review the adequacy of the cashier advance. The review must be conducted at least annually, and the reviewing official should consult with the USDO (CGFS/DO for domestic cashiers) for any procedures that must be followed and/or for automated software that may be available to assist in the review. At a minimum, the review must consider

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fluctuating exchange rates (if applicable), changing cash payment requirements for the location, and any other factors affecting the amount of the Class B cashier's advance.

- f. Overseas, the review required by 4 FAH-3 H-393.4-2, paragraph e, must identify whether greater use of EFT is possible. For example, the analysis should identify when overseas cashier payments of any kind, including EFT, are being made through a third-party network (e.g., local post office, bank, etc.), since these payments have the appearance of a local cashier checking account and require the transporting of cash or the equivalent in Treasury checks to a third party.
- g. All reviews required by 4 FAH-3 H-393.4-2, paragraph e, must be documented and be signed by the cashier and the FMO at overseas posts, with a copy sent to the servicing USDO for overseas posts and CGFS/DO. Domestically, the review must be signed by the cashier and domestic officer/supervisor, and filed in the cashier's file with a copy sent to CGFS/DO and to the Office of Oversight and Management Analysis Directorate (CGFS/OMA). Emphasis must be placed upon reducing the advance to the minimum level required for the cashier's needs. A request to reduce the advance must be executed by the reviewer or the official with this responsibility if the review shows that the existing advance is excessive to operational needs.
- h. In addition to the post review required by 4 FAH-3 H-393.4-2, paragraph e, and 4 FAH-3 H-393.4-2, paragraph f, the USDO is required to separately review every overseas cashier advance at least once a year to determine whether the advance is adequate. The USDO steps for reviewing overseas cashier advances are found in 4 FAH-2 H-815.1 and the Cashier User Guide (CUG), Chapter 3.
- i. When an overseas cashier temporarily needs additional funds (normally 30 days or less) to support a special activity such as a congressional delegation (CODEL), the FMO or agency supervisor must request the temporary advance at least several weeks before the event. A valid justification must be included in the request. The temporary advance must also have a specific date for returning the temporary advance to the USDO.

4 FAH-3 H-393.4-3 Safeguarding Advances

(CT:FMP-73; 06-27-2013)

- a. To the maximum extent possible, cashiers should be confined to a secure working location and should not be placed in an open office environment. Access to the cashier office should be limited and secured with a lockable solid core door. Bulletproof glass should be supplied in high-traffic or public areas and in circumstances where a nonbulletproof transaction window would negate other security measures.
- b. All cashiers must safeguard their funds in a U.S. Government-approved combination safe or vault (depending upon local conditions) with a

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manipulation-resistant lock. The storage location must be under the exclusive control of the cashier.

- c. When the advance and undeposited collections are \$1,000 or less, bar-lock cabinets with manipulation-resistant locks may be used overseas if approved in advance by the regional security officer and USDO. Similarly, bar-lock cabinets may be used domestically with the approval of CGFS/DO when the advance and undeposited collections are \$1,000 or less. Overseas and domestic cashiers may not use a locked desk and key-lock cabinets under any circumstance to safeguard cashier funds (see 4 FAH-3 H-317).
- d. When an alternate cashier has a portion of the Class B cashier's or funds have been advanced to a subcashier for operational needs, these funds should be in a separate safe, vault, or bar-lock cabinet (see 4 FAH-3 H-393.4-3, paragraph b, and 4 FAH-3 H-393.4-3, paragraph c) under the exclusive control of the alternate cashier or subcashier. Similarly, the funds should be given the same care for safeguarding as outlined in 4 FAH-3 H-317.
- e. Cashiers are prohibited from safeguarding and/or disbursing personal funds or personal checks of employees, contractors, official visitors, or anyone else, unless received in authorized transactions, such as accommodation exchange or repayment of advances. Cashiers are also prohibited from safeguarding any accountable forms, such as U.S. Government travel requests, U.S. Government bills of lading, or any other money, checks, or documents that are not a part of the fund accountability.
- f. Additional information and directions for safeguarding cashier funds can be found in the Cashier User Guide (CUG), Chapter 15.

4 FAH-3 H-393.4-4 Additional Guidance for Safeguarding Funds

(CT:FMP-30; 04-29-2005)

For other guidance related to safeguarding of funds, changing safe combinations, etc., see 4 FAH-3 H-317.

4 FAH-3 H-393.4-5 Payment of Advance

(CT:FMP-38; 06-07-2007)

- a. **Class B cashier:** After receiving an approved designation (4 FAH-3 H-393.2-1), the Class B cashier requests funds via electronic funds transfer (EFT), or, if not available, U.S. Treasury checks (if a dollar advance is authorized) and local currency checks in the amounts needed. These amounts are normally less than the maximum amounts authorized in the designation. For safeguarding purposes, advance checks payable to the cashier are issued in small denominations to enable cash payment by the cashier as required. Advance checks are not to be cashed until the funds are actually needed. If the cashier

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receives and assumes responsibility for the cash balance of a predecessor's advance, he or she follows procedures in 4 FAH-3 H-398.

- b. If an increase in a cashier's advance is subsequently authorized, the post cashier, domestic bureau, or office should request additional checks or EFT, as necessary, for the increase. If a decrease is determined, the cashier reduces the amount requested for a subsequent replenishment. An overseas cashier may also deposit local currency to the U.S. disbursing officer (USDO) local depositary, or return U.S. dollar or local currency replenishment checks to the servicing USDO.
- c. **Alternate cashier:** For advances of funds to the alternate cashier, see 4 FAH-3 H-398.1-1.
- d. **Subcashier:** The Class B cashier makes an advance to a subcashier in cash. Obtain a receipt and make it part of the Class B cashier's inventory. If the financial management officer (FMO) subsequently authorizes an increase or a decrease in a subcashier advance in the fiscal-servicing post, make an adjustment in the amount of cash and in the Class B cashier and the subcashier's receipt. However, increases must be consistent with advance limitations in 4 FAH-3 H-393.2-1, paragraph d.

4 FAH-3 H-393.4-6 Protection for Cashiers

(CT:FMP-38; 06-07-2007)

- a. The cashier's supervisor, in collaboration with the appropriate security officer (e.g., bureau/overseas regional security officer (RSO)), is responsible for arranging adequate security to protect the cashier during trips to the bank to cash replenishment checks or to deposit collections. The cashier supervisor and the appropriate security officer must prepare a written policy for transporting cash at post by cashiers. Make changes in accordance with local conditions. Conduct a review at least annually to ensure that sufficient safeguards exist for transporting cash (see also 4 FAH-3 H-394.2-1, paragraph b). The cashier supervisor is also expected to reduce the frequency and amounts of cash being transported to the lowest level possible.
- b. The written policy required by paragraph a should include a statement that the cashiers should not be expected to transport cash if the responsible security officer has determined that harm or robbery to the cashier may occur. The policy should provide for armored car service when the conditions and dollar amounts warrant. If armored car services are currently being used or appear to be needed, post should consider making the services bank-provided and bank-funded when bidding bank contracts.
- c. Supervisors should tell cashiers that private vehicles should not be used to move cash to locations outside the office, post, or mission (e.g., local bank, hotel, or other facility at a public location), and when required by post security policy, escorts should accompany the cashier.

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4 FAH-3 H-394 USING AN OPERATING CASH ADVANCE

4 FAH-3 H-394.1 Responsibilities of Cashier

4 FAH-3 H-394.1-1 General Responsibilities

(CT:FMP-73; 06-27-2013)

- a. Cashier payments from the imprest fund may be used only for goods and services authorized. All payments must be properly approved in accordance with Department of State and post procurement procedures. The cashier is responsible for being familiar with all relevant regulations, particularly 4 FAM, 4 FAH-3, 6 FAM, Federal Acquisition Regulation (Subpart 13.4), and the procedures manuals for domestic and overseas cashiers mentioned throughout this section, all of which address allowable transactions, the proper procedures, and the documentation required.
- b. The cashier is responsible for all official funds received and for accounting for all transactions at all times. Overseas cashiers maintain a record of all operating cash advance transactions and collections in the CGFS-approved automated cashier system. Domestic cashiers must use a CGFS-approved automated system or Form DS-7635 (formerly Form OF-1129), Cashier Reimbursement Voucher, and/or Accountability Report, for this purpose. Domestic cashiers should contact CGFS/OMA for guidance on manual and automated processing of this form and other domestic cashier needs. Overseas cashiers may obtain guidance on all required forms and cashiering system procedures by reviewing the Cashier User Guide (CUG) or by contacting CGFS/DO.
- c. Each cashier, domestic or overseas, is authorized and has the responsibility to refuse to make a payment if any questions cannot be resolved to the cashier's satisfaction regarding the propriety of the payment, documentation required, or the authority of the approving or authorizing officer. Cashiers can consult with their immediate supervisor, the financial management officer, or the authorized certifying officer to resolve questions. The cashier may request prior certification by an authorized certifying officer of unresolved requests for payment prior to making the payment. Supervisors and managers should never direct or instruct a cashier to make a payment unless the cashier's questions are resolved or the document is certified prior to payment.
- d. All documentation submitted to a cashier should contain the necessary fiscal data to be charged/credited when the cashier is required to make the payment or record the collection. The approving officer is responsible for ensuring that the fiscal data is correct and that submitted transactions are properly funded.
- e. Payments are not authorized from the imprest fund to:
 - (1) Pay personal loans or personal bills;

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- (2) Purchase bank, postal, telegraphic, or any other type of money order, except when specifically approved by the cashier designation;
- (3) Purchase personal calling cards or holiday greeting cards;
- (4) Pay traffic fines or tickets;
- (5) Pay U.S. citizen employee travel over \$25 (e.g., local and other travel reimbursement exceeding USDE 25 must be either check or electronic funds transfer (EFT)), unless 4 FAH-3 H-394.2-2, subparagraph (3) applies; and
- (6) Pay any other charge that is not authorized by statute or regulation.

f. The cashier should not make a routine travel advance and reimbursements for travel expenses through the cashier window. However, cash advances and payments for any traveler can be made in surplus currency locations (up to \$3,000 in local currency). Travel advances may also be made in local currency or in dollars, as required, when locally employed staff are not expected or required by post policy to maintain a local bank account. When travel documents cannot be processed in a timely manner for direct-hire U.S. citizens, the post management officer must individually approve the payments under the emergency payment authority. (See 4 FAH-3 H-394.2-2, subparagraph (3)).

4 FAH-3 H-394.1-2 Authorized Use of Cash Advance

(CT:FMP-38; 06-07-2007)

- a. A cashier may make cash payments only in accordance with Department of State provisions in the FAM and FAH. Consistent with Federal Acquisition Regulation (13.4), procurements that are advantageous to the U.S. Government may be paid with imprest funds. These payments are limited to USDE 500 for routine payments.
- b. A cashier may make cash payments in excess of the U.S. dollar equivalent (USDE) 500 limitations only under emergencies or special circumstances authorized in 4 FAH-3 H-394.2-1.
- c. A cashier should make limited value cash disbursements, in lieu of electronic funds transfer (EFT), check, or other noncash disbursements only when local conditions limit other payment options. The cashier should disburse funds to:
 - (1) Vendors for payment for small purchases of goods and services;
 - (2) Employees for advances for making specifically authorized expenditures; or
 - (3) Locally employed staff for reimbursements for authorized expenditures, such as local transportation and authorized small purchases.
- d. A cashier is authorized to make payments to direct-hire U.S. citizen employees and other U.S. citizen employees or contractors for authorized expenditures when amounts are under USDE 25. Payments in excess of USDE 25 should be made via EFT to the maximum extent possible, unless local conditions make

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such payments a hardship to the employees or contractors. Hardship conditions should be specified in the post policy (see 4 FAH-3 H-399.4-2).

e. A cashier may not make unauthorized payments from the imprest fund (see 4 FAH-3 H-394.1-1, paragraph c).

4 FAH-3 H-394.2 Cashier Payment Limitations, Exceptions, and Special Procedures

4 FAH-3 H-394.2-1 Limitation on Cash Payments for Goods and Services

(CT:FMP-38; 06-07-2007)

- a. Cashiers are prohibited from personally delivering payments of any type or amount to or for anyone. Cashiers may make payments only through the cashier's window. The only exceptions occur overseas when the cashier is authorized by the principal officer to provide accommodation exchange at a location outside the embassy for White House trips, congressional delegation (CODEL) visits, or conferences. A management officer may also authorize a cashier to support a mission auction or warehouse sale when appropriate security can be arranged by the regional security officer (RSO) and the financial management officer (FMO).
- b. When the principal officer provides this authorization, post management, in conjunction with the security officer, must establish safeguards for both the cash being transported and for any cashier providing accommodation exchange off-site. Further, the safeguards must be reviewed periodically (at least annually) by the security officer and FMO or cashier supervisor. When improvements are needed, implementation must be made in an immediate or timely manner to ensure Department of State financial resources and personnel are adequately protected.
- c. The maximum amount for any cash payment may be established in the official designation but may not be in excess of U.S. dollar equivalent (USDE) 500 or equivalent, except in:
 - (1) A bona fide emergency as authorized in 4 FAH-3 H-394.2-2; or
 - (2) Special circumstances related to utility bills and official residence expenses (ORE) (see 4 FAH-3 H-394.2-4).
- d. In an emergency situation, certified vouchers up to USDE 3,000 may be paid if the procedures in 4 FAH-3 H-394.2-2 are followed. The convenience of the payee is not a bona fide emergency or justification for payment in excess of the USDE 500 limit. Payments should not be split to meet the USDE 500 payment limitation.

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4 FAH-3 H-394.2-2 Cash Payment Exceptions Under Bona Fide Emergencies

(CT:FMP-38; 06-07-2007)

To justify an exception to the limit of U.S. dollar equivalent (USDE) 500 on a cash payment, the bona fide emergency should have elements similar to the following:

- (1) A crisis requiring unusual or immediate action, such as disaster relief or protection of life or property;
- (2) A recurring payment normally by check cannot be made because the check does not arrive by the due date and a replacement cannot be obtained in time. Examples are payroll payments to employees and payments to lessors or contractors with contractual due dates (see 4 FAH-3 H-394.2-7); and
- (3) A key post operation or a traveler will be delayed and the mission purposes cannot be achieved as a result.

4 FAH-3 H-394.2-3 Vouchering Emergency and Special Circumstance Cash Payments

(CT:FMP-73; 06-27-2013)

- a. To process an emergency cash payment, each voucher or subvoucher supporting the emergency payment must have the justification written on the voucher with "Approved for emergency payment" signed by the domestic bureau executive director, or by the principal officer at a post, or a designee authorized in writing. The designated approving officer for emergency payments cannot be the financial management officer (FMO), the authorized certifying officer, or the cashier. The financial management office should obtain such approval before paying the voucher. Relevant documentation must accompany the voucher if necessary to support the justification.
- b. Cash payments not specifically authorized in other FAM or FAH sections (e.g., 4 FAH-3 H-394.2-4) that will exceed the U.S. dollar equivalent (USDE) 3,000 emergency cash payment limitation should be approved in advance by CGFS/FPRA/FP. If the payment must be made for life threatening, national security, or other emergency circumstance that precludes the ability to seek advance approval, the financial management office must forward a notification with an explanation to CGFS/FPRA/FP as soon as practicable.
- c. If a cash payment is authorized that exceeds the USDE 500 limitation on a nonemergency payment or the USDE 3,000 limit for an emergency payment, the authorizing approval (letter, telegram, memo, etc.) must be attached to the voucher. The approving officer's signature is not required. If the authorizing instruction is sensitive but unclassified or classified, a statement to that effect with the signature of the approving officer is required on the voucher.

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4 FAH-3 H-394.2-4 Special Rules for Utility and Official Residence Expense (ORE) Payments

(CT:FMP-38; 06-07-2007)

- a. In those countries in which utility companies demand settlement of invoices within a timeframe too limited to process a voucher for electronic funds transfer (EFT) or check issuance by the servicing U.S. disbursing officer (USDO), the principal officer may approve the practice of paying utility bills in cash. The servicing USDO must be notified of such approval, which will remain in effect until canceled. After this notification to the USDO, each subsequent utility payment does not require the principal officer's signature, but a certified voucher must support each payment. When the public transportation of cash by utility or vendor personnel is not expedient, and interbank transfers are possible, the financial management office should make arrangements to pay vendors and/or utility bills with the servicing USDO. The post should telegraphically submit payment data to the USDO so that the USDO may initiate an electronic bank interaccount transfer to credit the payee's account and charge the USDO's account.
- b. When approved by the principal officer, official residence expenses (ORE), as authorized in the Department of State Standardized Regulations (DSSR) 400, may be reimbursed from a cashier's advance. A certified voucher must support the payment by the cashier. Funds for the payment shown on the voucher may be obtained from the cashier on an interim receipt signed by the principal representative, to be replaced with paid receipts consistent with the requirements for an occasional money holder. The limit for payment of ORE expenses in cash is the amount on the certified ORE voucher. Reimbursement payments for ORE expenses may be paid only to the "Principal Representative" (as defined in Chapter 400 of the Standardized Regulations) or to vendors, not to ORE staff.

4 FAH-3 H-394.2-5 Nonemergency Cash Payments for Special Circumstances

(CT:FMP-38; 06-07-2007)

When a cash payment in excess of U.S. dollar equivalent (USDE) 500 must be made for a specific event or time period, the principal officer or designee of the fiscal-servicing post may grant approval. It may remain in effect until canceled (i.e., cash transactions to support an event such as a congressional delegation (CODEL) visit or a conference). The approval document must be referenced on the payment voucher in lieu of attaching a copy for continuing payments.

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**4 FAH-3 H-394.2-6 Department Cash Payment Limitation
Waivers for Extraordinary Circumstances**

(CT:FMP-73; 06-27-2013)

- a. If a post concludes that due to unique or extraordinary circumstances (e.g., post operates in a cash-only economy), the cash payment limitations are unduly restrictive (U.S. dollar equivalent (USDE) 500 for routine payments and up to USDE 3,000 for emergencies), the post may request an exception to 4 FAH-3 H-394.2-1, paragraph c, from CGFS/FPRA/FP. The post must document its justification (e.g., cash economy, unstable local banks, etc.). The exceptions granted are usually limited to 6 months but may be renewed if submitted with a detailed justification 30 days prior to expiration.
- b. When an exception is approved by CGFS/FPRA/FP, a copy of the exception must be maintained and kept on file in the cashier's administrative folder along with the designation letter and advance information.

4 FAH-3 H-394.2-7 Funding for Emergency Payrolls and Other Payments

(CT:FMP-38; 06-07-2007)

For overseas posts, procedures are established by the servicing U.S. disbursing officer (USDO) for funding of payments in emergency situations. The emergency procedures include funding for payment of salaries and allowances by a post cashier in the event payroll checks are not received when regularly scheduled. Arrangements are also developed for cash funding of other emergency requirements at serviced posts. The instructions for emergency funding, payment, and reporting are issued by each USDO for guidance of cashiers and other personnel concerned at the posts. Emergency payments for goods and services, other than payroll situations, must be approved by the principal officer or a designee in accordance with 4 FAH-3 H-394.2-1.

4 FAH-3 H-394.2-8 Cash Advances

(CT:FMP-73; 06-27-2013)

- a. The cashier may give a cash advance to a person authorized to carry out U.S. Government business (e.g., make a small cash purchase in the local economy). The person who receives the advance is accountable for the funds and must have a written designation to be an occasional money holder from the financial management officer (FMO), management officer, or U.S. citizen supervisor if the individual is not already designated a cashier or subcashier. All occasional money holder designations must be on file and maintained in a safe.
- b. Individuals receiving advances must follow FAM/FAH requirements and must take steps to adequately safeguard the money. The individual will be held personally liable for the advance if a proper accounting is not made within the

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prescribed time limits (see 4 FAH-3 H-394.4).

- c. The cashier must advance cash based only on a properly approved document signed by an officer who has the authority to approve a small procurement and the required advance.
- d. The cashier may advance cash or provide a pre-paid U.S. debit card based on properly approved travel orders and a properly approved request for advance form.
- e. The maximum amount of a cash advance is the U.S. dollar equivalent (USDE) 500, except in a bona fide emergency when the limit is USDE 3,000 (see 4 FAH-3 H-394.2-1).
- f. A principal Class B cashier may advance part or the entire imprest fund to a properly designated alternate cashier up to the amount of the alternate cashier's designation and must obtain a properly executed receipt accounting for the amount advanced (see 4 FAH-3 H-398.1-1).
- g. A principal or an alternate cashier may advance funds to a subcashier up to the amount of the subcashier's designation and must obtain a properly executed receipt for the amount advanced.

4 FAH-3 H-394.2-9 Receipt Requirements

(CT:FMP-73; 06-27-2013)

- a. All payments from the imprest fund require a valid receipt, which becomes a subvoucher and part of the accountability of the fund. Each payment must be supported by one of the following:
 - (1) Form SF-1164, Claim for Reimbursement for Expenditures on Official Business;
 - (2) Original bill;
 - (3) Sales slip;
 - (4) Cash register ticket;
 - (5) Invoice;
 - (6) Form DS-4097 (formerly SF-1165), Receipt for Cash-Subvoucher; or
 - (7) A paid or equivalent receipt form from the vendor that itemizes supplies or services purchased with the respective amounts. Signed cash receipts are not required.
- b. All receipts must:
 - (1) Be original or bear the dated signature of the person presenting the receipt with a notation that the original is not available and the copy serves as the original;
 - (2) Show the signature and date of the purchase from the vendor if more than

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the U.S. dollar equivalent (USDE) 25. The receipt must be itemized and describe the item(s) purchased. A receipt for USDE 25 or less can be a simple cash register tape. The receipt must be itemized and describe the item(s) purchased, but does not have to be signed by the vendor;

- (3) Be written in English, or be translated into English in sufficient detail to identify the goods or service procured, purpose of the procurement, and show evidence that the goods or service have been received;
- (4) Be administratively approved and dated with the complete signature, not initials, of an officer who has been delegated authority to approve the procurement of goods or services; and
- (5) Be signed and dated by the person actually receiving the cash from the imprest fund cashier.

c. The cashier must mark all receipts and supporting documents "PAID" immediately when they are paid. These paid receipts must be sequentially numbered when paid, beginning with number 1 at the start of each fiscal year if a CGFS-approved system process is not in place to automatically perform this task.

4 FAH-3 H-394.2-10 Accommodation Exchange

(CT:FMP-73; 06-27-2013)

- a. Class B cashiers overseas are authorized to make accommodation and reverse accommodation exchange only if authorized by the chief of mission (COM).
- b. The COM will determine and post the maximum amount allowed for each transaction, subject to the limits stated in 4 FAH-3 H-360.
- c. Cashiers must use the prevailing rate of exchange for accommodation and reverse accommodation exchange and display the rate at the cashier window (see 4 FAH-2 H-512).
- d. Cashiers are authorized to accept first-party personal checks and first-party travelers checks from persons authorized (see 4 FAH-3 H-360) to make accommodation exchange, only if the checks are payable to the "American Embassy," "Department of State," or "U.S. Treasury." First-party U.S. Treasury checks made out to the employee or individual authorized accommodation-exchange privileges may be accepted only if they are endorsed to one of the payees listed above. All personal checks must be drawn on an account maintained in a U.S. bank. Cashiers are not authorized to accept for accommodation exchange any Treasury check that is more than 9 months old, or any personal check that is more than 5 months old. Cashiers should refer individuals with stale-dated Treasury checks to the cashier supervisor for consultation with the U.S. disbursing officer (USDO).
- e. Cashiers are not authorized to cash any third-party checks or checks payable to the name of the cashier. Cashiers may accept third-party checks for deposit

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when properly endorsed and specifically authorized in the post policy required under 4 FAH-3 H-399.4-2.

- f. Cashiers must immediately endorse all U.S. dollar checks "for deposit only" upon receipt and follow the USDO's instructions to deposit the checks or remit them to the USDO (see the Cashier User Guide (CUG), Chapter 7).
- g. Cashiers must immediately endorse all local currency checks "for deposit only" and follow the USDO's instructions to deposit the checks in the local bank account of the USDO (see CUG, Chapter 7).
- h. Cashiers should review post policy for accommodation exchange and refuse accommodation exchange to individuals that do not comply with the policy on uncollectible checks (see CUG, Chapters 4 and 8, and 4 FAH-3 H-399.4-2, subparagraph (3)).
- i. Cashiers may use U.S. currency received in accommodation exchange to cash replenishment checks and must then process the U.S. dollar replenishment checks in the same manner as other U.S. dollar checks.
- j. Cashiers are prohibited from safeguarding or holding cash or check proceeds from a departing individual's sale of personal property pending a future reverse accommodation exchange transaction. The departing individual (not the cashier) should accumulate proceeds from these sales and make a single reverse accommodation exchange (or two if authorized by the designated authorizing officer at the post) for the total approved amount instead of making reverse accommodation exchanges for each sale.
- k. A cashier may provide reverse accommodation to authorized post and temporary duty (TDY) individuals for nominal amounts when the individual is departing the post. Under a permanent change of station situation, reverse accommodation exchange transactions for the departing individual must be made via electronic funds transfer (EFT) to the individual's bank account. A U.S. dollar Treasury check payable to the departing individual may be processed if requested for hardship reasons and the justification is approved by the designated authorizing officer. However, the amount in any request for a Treasury check must exceed USDE 1,000 (see 4 FAH-3 H-360). If cash is authorized for hardship reasons, the amount may be no more than U.S. dollar equivalent (USDE) 3,000. The amount authorized for a cash payment is an operational decision at the post level and may be set lower than USDE 3,000. The post should establish a policy for requesting a hardship payment; identify the amount that will be authorized; and advise all employees, including visitors, that they must inform the cashier in advance of the anticipated transaction date and provide a dollar estimate of the anticipated transaction (see 4 FAH-3 H-399.4-1).

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4 FAH-3 H-394.2-11 Replenishment and Accounting for Funds

(CT:FMP-73; 06-27-2013)

- a. Most replenishment requirements are automated in the cashier systems available to overseas cashiers. Therefore, replenishment requests for overseas cashiers must be prepared in accordance with procedures described in the Cashier User Guide (CUG), Appendix A, Chapter 4. Due to various systems and applications that have been installed at individual locations, the specific procedures to follow will vary. However, the supporting documentation for replenishment must include receipts marked "PAID," and all subvouchers must be serially numbered and be properly certified.
- b. Form DS-7635 (formerly Form OF-1129), Cashier Reimbursement Voucher and/or Accountability Report, is used by domestic cashiers to obtain replenishment for funds disbursed from the advance and in locations where an overseas cashier does not have access to an automated system. The preparation and distribution of Form DS-7635 for overseas cashiers is shown in the CUG, Chapter 4. Processing Form DS-7635 vouchers for payment will be in accordance with standard post vouchering procedures. Domestic cashiers should prepare Form DS-7635 in accordance with procedures established by CGFS/OMA.
- c. The cashier must prepare and submit for replenishment Form DS-7635, Cashier Reimbursement Voucher and/or Accountability Report, as often as needed to maintain the fund at operating levels. The fund should be replenished at least weekly if any transactions took place. If there were no transactions during a week, a Reimbursement Voucher does not have to be submitted. At the end of each fiscal year (September 30), a Reimbursement Voucher should be submitted if there are disbursements that have not yet been reimbursed.
- d. The cashier must sign all Forms DS-7635 and be processed through the certifying officer, who must also sign the DS-7635. If the certifying officer questions an expenditure or documentation on the DS-7635, the receipt in question is returned to the cashier by memorandum or by a copy of the DS-7635. The cashier either:
 - (1) Arranges for the necessary correction and includes the receipt on the next Form DS-7635; or
 - (2) Recovers the amount questioned.
- e. Until the matter is settled, the amount questioned is reported as a "difference" on subsequent Form DS-7635. The overseas financial management officer (FMO) or domestic financial officer will review the Form DS-7635, at least quarterly, to ensure that replenishment is commensurate with actual needs and do not exceed the maximum limitations (see 4 FAH-3 H-393).

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4 FAH-3 H-394.3 Subcashiers and Alternate Cashiers

(CT:FMP-38; 06-07-2007)

- a. The regulations in 4 FAH-3 H-394, which apply to the Class B cashier's use of the operating cash advance, also apply to subcashiers and to alternate cashiers.
- b. To obtain a replenishment from a cashier, a subcashier or an alternate cashier submits a request accompanied by receipts with either Form DS-7635 or a signed, typed list of receipts.

4 FAH-3 H-394.4 Occasional Money Holders

(CT:FMP-73; 06-27-2013)

- a. An occasional money holder has the authority to receive an advance and make small purchases. The person must be a U.S. Government employee duly designated by a direct-hire U.S. citizen supervisor, financial management officer (FMO), or management officer, and a written copy of the designation must be on file with the Class B cashier. Locally employed staff hired under a PSA or PSC exempt from Office of Federal Procurement Policy (OFPP) Policy Letter No. 92-1 "Inherently Governmental Functions" may be occasional money holders (see 4 FAH-3 H-393.1-1, paragraph b). This designation may not be extended to contractors that are not exempt PSAs or PSCs. The employee is advanced the funds by the Class B cashier or by a subcashier on the basis of a hand receipt for cash, subvoucher, or equivalent and is held accountable to the person issuing the advance. Cashiers may never advance funds to an individual who has not been officially designated as an occasional money holder.
- b. Overseas occasional money holders may hold funds for a period not to exceed 3 business days, such as a messenger or an employee in the GSO's office who is designated to buy small amounts of supplies. While 3 business days is the upper time limit for an outstanding advance, the Office of Financial Policy (CGFS/FPRA/FP) recommends that the FMO establish policies and procedures limiting the advance to 24 hours or less.
- c. While performing the unannounced cash counts, it is the cashier's U.S. citizen supervisor's responsibility to review any and all outstanding advances to occasional money holders. The cashier's supervisor should contact all holders with advances more than 3 days old. The Class B cashier maintains the documentation pertaining to the actions taken, along with the occasional money holder designation.
- d. Amounts advanced to domestic occasional money holders must be settled by close of the cashier's office hours on the day following the day on which the advance was provided.

4 FAH-3 H-395 CLASS B CASHIER ACCOUNTS

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4 FAH-3 H-395.1 General Provisions

(CT:FMP-73; 06-27-2013)

- a. Under normal circumstances, cash is deposited into accounts maintained by the U.S. Treasury or U.S. disbursing officers (USDOs). In unusual cases, the USDO may authorize maintaining cash balances in commercial bank accounts or in accounts of other financial institutions. Depository accounts are used primarily to receive replenishment electronic funds transfer (EFT) from the USDO or to make small EFT payments to local vendors. Cashiers are not permitted to issue commercial checks or EFT payable to either employees or vendors unless granted specific authority to do so by the Department of the Treasury or by statute. Accounts may not have overdraft protection.
- b. Establishing a cashier account is subject to prior approval of the Office of Global Disbursing Operations (CGFS/DO) for domestic cashiers and the servicing USDO for overseas cashiers. It is both the cashier and the cashier's U.S. citizen supervisor's responsibility to ensure that the necessary authorization has been obtained and that a record is being maintained on the decision to establish the cashier account.
- c. The request for approval must contain a full explanation of the necessity for the cashier account. Unless specifically authorized, accounts for overseas cashiers are established in local currency only. If an account is established overseas, the Class B cashier and the FMO are subject to the control, reporting, and recordkeeping requirements of the servicing USDO.
- d. The account is used only for making check payments or EFT from the cashier's operating cash advance. All regulations and limitations applicable to cash payments apply to check payments. Additional limitations may be established by the servicing USDO, the FMO, or the principal authorized certifying officer.
- e. Cashier accounts may not be opened or operated without post servicing USDO authorization. Where USDO authorization has been received, only funds advanced to the cashier by the USDO may be included or deposited to the cashier account. No other post-held funds or payments can be deposited or withdrawn from this account.
- f. Cash deposited into a cashier account is part of the regular authorized advance from the USDO. The cashier must follow all regulations that are effective for any regular cashier payment. Establishing a cashier account should not be a reason for requesting an increase to the cashier's authorized advance.
- g. The cashier is responsible for a daily reconciliation of the account. Interest and fees should be processed at least weekly, and each transaction in the account must be recorded in the automated cashier system or manual record of accountability. The FMO or U.S. citizen supervisor is responsible for a monthly reconciliation. The cashier account reconciliation records must be included in the monthly Class B reconciliation package submitted to the USDO under 4 FAH-3 H-397.1-2, subparagraph c(7). Any discrepancy with the cashier

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account must be explained and immediately reported to the USDO. Copies of the account statements must be signed by both the cashier and the FMO (or U.S. citizen supervisor) and be attached to the monthly cashier reconciliation.

4 FAH-3 H-395.2 Establishing a Cashier Account

(CT:FMP-87; 01-07-2015)

- a. Overseas, the account is established in a local bank or institution, which has been designated as a U.S. Government depository, under the title "United States Cashier, Department of State" or the name of the agency if other than Department of State. The Class B cashier is designated as the principal drawer on the account. The USDO is designated as the alternate drawer, to act only in the event of disability, death, or disappearance of the Class B cashier or other emergency. The cashier may, in writing, authorize the cashier's alternate to sign checks drawn against the accounts, as circumstances may warrant.
- b. Domestically, third-party draft accounts should be utilized to the maximum extent possible, as prescribed by the Treasury Financial Manual, Volume I, Part 4, Chapter 3000. A bureau or an office must have a very strong justification to receive approval for a new checking account, and all existing checking accounts must be reviewed annually by CGFS/OMA. Requests for new accounts from domestic bureaus and consular offices must be submitted to CGFS/S. If CGFS/S determines that a domestic checking account is necessary, CGFS/S must prepare a detailed written justification that the account cannot be converted to third-party draft arrangement.

4 FAH-3 H-395.3 Funding a Cashier Account

(CT:FMP-41; 08-01-2007)

- a. Only the cashier's initial operating cash advance and subsequent replenishments may be deposited in the account.
- b. Interest earned on the account is withdrawn from the bank with the purpose for which drawn, noted as: "Interest earned from (date) to (date)." The amount is to be deposited to the local depository account of the U.S. disbursing officer (USDO) or remitted to the USDO for deposit. The amount is recorded as a collection to receipt account 20 1435. Form OF-158, General Receipt, should be completed in accordance with 4 FAH-3 H-320, and on the cashier's accountability record, maintained for official collections in accordance with 4 FAH-3 H-396 and the Cashier User Guide (CUG), Chapter 17.
- c. Service charges on the account, if any, are paid from the operating cash advance and charged to the post's allotment by a petty cash subvoucher, which should be cross-referenced to the bank statement from which the service fee is deducted.

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4 FAH-3 H-395.4 Register of Transactions

(CT:FMP-38; 06-07-2007)

The cashier must maintain a permanent official register of all checking account transactions. This register must be retained in accordance with the Department of State Records Management Handbook. See the CUG, Chapter 17, for detailed procedures and for how to use Form OF-209, Accountability Record, when reconciling the cashier's checking account with the bank statement.

4 FAH-3 H-395.5 Check Preparation

(CT:FMP-30; 04-29-2005)

Prenumbered checks supplied or authorized by the depositary bank are to be used. Any associated cost is charged to the post's allotment. Checks must be used in sequence, and the check number must be entered on all invoices paid by check.

4 FAH-3 H-395.6 Monthly Report on Account**4 FAH-3 H-395.6-1 Action by Cashier**

(CT:FMP-38; 06-07-2007)

The cashier reconciles the register of transactions with the monthly bank statement. Detailed instructions for preparing the overseas reconciliation or Form DS-7629 (formerly Form SF-1149), Statement of Designated Depository Account, are contained in the CUG, Chapters 15 and 17.

4 FAH-3 H-395.6-2 Action by FMO, Administrative Officer, or Principal Officer

(CT:FMP-30; 04-29-2005)

The FMO, the administrative officer, the principal officer, or the principal officer's designee, as available at the post, is responsible for auditing the cashier's reconciliation. The audit includes verification of entries and computations, and review of the following:

- (1) The opening balance on reconciliation to determine that it agrees with the closing balance of the previous month's statement;
- (2) The record of any deposits in transit for more than 30 days to determine the reason for the delay;
- (3) The record of any check outstanding for more than 90 days from date of issue to assure proper payment; and
- (4) The list of outstanding checks/EFTs to determine that there are none which should be processed as uncurrent.

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4 FAH-3 H-395.6-3 Retaining Cashier Records

(CT:FMP-61; 10-07-2010)

The reconciliation and all supporting documents for a cashier account are retained by the cashier supervisor (not the cashier) for 6 years and 7 months, in accordance with Treasury Department instructions. When the post's record retention schedule or storage space makes this impossible, the reconciliations and/or Form DS-7629 (formerly Form SF-1149, Statement of Designated Depository Account), are forwarded to a records center for retention for the required period.

4 FAH-3 H-395.7 Other Electronic Funds Transfer (EFT) Issues and Account Adjustments

(CT:FMP-61; 10-07-2010)

Once the cashier has processed an EFT, it cannot be canceled. However there are steps that can be taken when an EFT is unsuccessful or when the payee does not receive payment within a specified timeframe from a cashier checking account. Cashiers should review the CUG, Chapter 10 for detailed procedures on how to process the following:

- EFT delivery problems
- Voided checks
- Undeliverable checks
- Uncurrent checks
- Cancellation of checks
- Replacement and substitute checks

4 FAH-3 H-395.8 Change in Cashier

(CT:FMP-30; 04-29-2005)

Whenever there is a change in the Class B cashier, and in order to establish definitely the accountability of each cashier, the outgoing cashier and the incoming cashier should obtain a bank statement showing the balance in the account; develop the list of outstanding checks; and reconcile the bank account.

4 FAH-3 H-396 COLLECTIONS**4 FAH-3 H-396.1 General Provisions**

(CT:FMP-87; 01-07-2015)

- a. The CGFS Main State cashier and the Bureau of Consular Affairs (CA) cashiers at the passport and other domestic CA locations are authorized to accept cash

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collections. If a collection must be made at another domestic location, specific authorization must be granted by CGFS/S.

- b. At overseas posts, Class B cashiers must accept all official collections. Subcashiers and alternate cashiers may perform only those collection activities authorized in writing by the financial management officer (FMO). The number of employees entrusted with this function must be kept to the minimum consistent with good administrative control. Procedures for the collection and handling of consular fees are found in the Cashier User Guide (CUG), Chapter 6.1. Cashiers are responsible for the custody and safekeeping of all collections until they have been deposited by the cashier or remitted to the USDO, as applicable. (See 4 FAH-3 H-317, 4 FAH-3 H-320, and the CUG, Chapter 6.0.)
- c. Cashiers are prohibited from holding and/or disbursing personal funds or personal checks of embassy employees, contractors, official visitors, or anyone else for unauthorized purposes (see 4 FAH-3 H-393.4-3, paragraph c).
- d. The provisions mentioned in paragraphs e through h of this section apply to subcashiers and Class B cashiers. Subcashiers must have and follow procedures that allow the subcashier to turn over all collections and supporting documents to a Class B cashier at the close of each day or as soon as possible based on local conditions but no less than weekly.
- e. Cashiers are not authorized to accept any backdated or predated personal checks. All personal checks should be accepted only on the date presented. Cashiers are also expected to question and refuse to accept any check if the check does not have a preprinted address. However, the preprinted address requirement may be overridden by the FMO for unusual circumstances (i.e., new bank account for a Department of State employee, etc.). When a decision to override occurs, the FMO must initial the check in the presence of the cashier.
- f. Cashiers must immediately endorse all local currency and U.S. dollar checks "for deposit only" and follow the USDO's instructions to deposit the checks or to remit them to the USDO. (See 4 FAH-3 H-394.2-10, paragraphs g and h, and the CUG, Chapter 7.)
- g. Collected funds, including consular fees, may be kept with the cashier's operating cash advance when the automated cashier system is in place; the system is operating correctly; and other internal controls ensure daily collections can be accurately tracked. When automated systems are not in place or internal controls are not sufficient to ensure accurate accounting for collections, the funds must be physically separate, and accountability records must be maintained for the operating advance and for the collections. Separate verifications must also be performed by verifying officers.
- h. All collections in excess of cashier needs and/or authorized advance levels must be deposited in accordance with 4 FAH-3 H-396.5, paragraph d.

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4 FAH-3 H-396.2 Exchange Rate for Collections

(CT:FMP-87; 01-07-2015)

With few exceptions, cashiers must use the prevailing rate of exchange. This is the most favorable foreign exchange rate available to the U.S. Government for acquiring foreign exchange for its official disbursements and accommodation exchange transactions. *The official USDO rate of exchange for all currencies is listed on the International Currency Exchange Rates website.* If directed by the USDO, the cashier may obtain a daily rate from the bank. Class B cashiers are responsible for notifying alternate and subcashiers of the daily rate.

4 FAH-3 H-396.3 Types of Collections

4 FAH-3 H-396.3-1 Official Collections-General

(CT:FMP-30; 04-29-2005)

Official collections processed by cashiers are amounts received for credit to appropriation accounts (repayments, including refunds and reimbursements) when authorized by statute, or to general fund receipt accounts. Other official cashier collections may be for specific deposit accounts or include deposit amounts from employees or other parties that the Department of State will pay on behalf of the individual or party making the deposit.

4 FAH-3 H-396.3-2 Deposits Accounts

(CT:FMP-38; 06-07-2007)

- a. Cashiers deposit official collections into U.S. Government accounts. The Department of the Treasury has several accounts for official collections accepted by overseas and domestic cashiers. When domestic and overseas cashiers make official collections that must be deposited to a deposit account (Treasury X6000 series account), they must identify the correct account and follow the collection and deposit procedures identified at 4 FAH-3 H-320, 4 FAH-3 H-396.4, and 4 FAH-3 H-396.5. Cashiers should also review the procedural information available in the Cashier User Guide (CUG), Chapter 9.
- b. The Suspense Deposits Abroad (SDA) with fund symbol 19X6809 is for official collections that are received for payments on behalf of and as directed by the depositors. Cashiers are authorized to accept and deposit collections to this account on behalf of third parties. Similarly, cashiers are responsible for ensuring that amounts received are appropriately disbursed and/or returned. The cashier will use 19X6809 for SDA collections, corresponding payments, or transfers to other collection funds.

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4 FAH-3 H-396.3-3 Budget Clearing Account (-F3875)

(CT:FMP-73; 06-27-2013)

- a. When an official collection is received and the complete appropriation or account is not known, cashiers should contact the Office of Oversight and Management Analysis Directorate (CGFS/OMA) for guidance before depositing the funds to the Budget Clearing Account (-F3875) of the Department of State or agency for which the collection was received.
- b. Agency representatives at the post should furnish complete accounting data to be credited for collections received for their agencies. If this cannot be provided at post, cashiers should forward all the available information and request additional guidance and assistance from the Department of State's serviced agency liaison.

4 FAH-3 H-396.4 Recording Collections

4 FAH-3 H-396.4-1 All Collections Except Consular Fees

(CT:FMP-38; 06-07-2007)

Form OF-158, General Receipt, is used to record all domestic and overseas cashier collections. It also serves as a receipt for the person from whom the money is received. Form OF-158 is either a prenumbered hard copy form or an automated cashier system-generated form with a system generated control number. The cashier must issue Form OF-158 at the time the collection transaction occurs. The preparation and distribution of Form OF-158 is illustrated in the CUG, Chapter 6.

4 FAH-3 H-396.4-2 Consular Fee Collections Overseas

(CT:FMP-38; 06-07-2007)

The recording of consular fee collections overseas is described in 7 FAH-1 H-730 (Consular Management Handbook). There is also procedural information on consular collections in 4 FAH-3 H-320 and the Cashier User Guide (CUG), Chapter 6. Post cashiers must follow these instructions and may not establish their own. The Class B cashier must issue a Form OF-158, General Receipt, for all consular collections received from the consular subcashier.

4 FAH-3 H-396.4-3 Consolidated Record of Collections

(CT:FMP-73; 06-27-2013)

- a. All cashier and subcashiers authorized to make cash collections must maintain an accountability record showing consolidated control of all collections received. This requirement applies to all overseas cashiers and subcashiers authorized to make collections and the Main State cashier. Cashier collections at the Passport offices and other domestic CA facilities may be processed through CA

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bank deposit channels and CA equipment designed to track collections. However, CA collection procedures must be consistent with the CGFS policies and procedures identified 4 FAH-3 H-396.1.

- b. All overseas collection amounts are recorded daily as "Official Collections." Authorized costs, which are deductible from certain collections, such as payments for advertising, may be recorded or shown on the collection document as a deduction. Procedures for preparing and maintaining official collections are illustrated in the Cashier User Guide (CUG), Chapter 11.0.
- c. The cashier responsibilities for maintaining official collection records, executing required processes, and using approved software are described at 4 FAH-3 H-394.1-1, paragraph b.

4 FAH-3 H-396.5 Disposition of Official Collections

(CT:FMP-73; 06-27-2013)

- a. All official overseas collections must be credited to U.S. disbursing officer (USDO) accounts, which are noted on Form OF-158, General Receipt, for each collection.
- b. Cash collected by cashiers may not be used for payments without recording the collection. If a payment from a collection is considered necessary (e.g., paying advertising expenses from a proceeds of sale), the cashier or financial management officer (FMO) should contact the servicing USDO for specific instructions on how to process.
- c. Cashiers will dispose of collections in one of the following ways:
 - (1) Deposit excess collections above cashier-authorized levels to the account of the USDO (local currency) or a Treasury General Account (TGA) (for dollars) or transmit them to the USDO for deposit in accordance with 4 FAH-3 H-396.5, paragraph d. In the latter case, currency itself should not be shipped;
 - (2) Use collections to "cash" replenishment checks, after the collections have been properly reflected in the cashier's accountability. The replenishment checks are then endorsed and deposited;
 - (3) Reduce the amount of the requested cashier replenishment. The reduction must be shown in detail and referenced to Form OF-158 receipts concerned (see Cashier User Guide (CUG), Chapter 7.4);
 - (4) In cases where local currency collections are in excess of cash disbursement requirements (collections exceed amounts that can be used to cash replenishment checks) and local regulations do not permit the deposit of the excess local currency to a USDO account, request guidance from the servicing USDO; and
 - (5) In cases where U.S. currency collections are in excess of operating cash

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requirements (collections exceed amounts that can be used to cash replenishment checks), and local financial institutions will not sell U.S. dollar money orders or the equivalent U.S. currency, request guidance from CGFS/S and the servicing USDO. Do not ship U.S. currency by mail or pouch without specific guidance and clearance from the Office of the Associate Comptroller (CGFS/S).

- d. Collections that exceed cashier needs or advance limitations must be deposited by means of one of the above methods on a daily basis if the collected amount is U.S. dollar equivalent (USDE) 5,000 or more. Collections of less than USDE 5,000 may be accumulated and deposited when the total reaches USDE 5,000. Deposits must be made by Thursday or the last workday of each week, regardless of the amount accumulated. Detailed instructions and procedures concerning the disposition of collections at post are contained in the CUG, Chapter 6.0.

4 FAH-3 H-396.6 Special Requirements for Suspense Deposits Abroad Collections

(CT:FMP-87; 01-07-2015)

- a. Suspense deposits abroad (SDA) collections are received by posts from individuals for specified payments on their behalf. The *moneys* received are recorded and deposited or remitted in the same manner as other official collections. When payments are made as requested by the depositor, the amounts are paid in the same manner as other official payments. For a cashier operation, this means that the SDA *moneys* are received, documented with a Form OF-158, General Receipt, and recorded as collections with the *moneys* deposited or remitted accordingly.
- b. The payments against the SDA deposits are not paid from the collected *moneys* themselves but from the cashier's operating cash advance against a subvoucher or certified voucher chargeable to 19X6809. Using SDA accounts is limited to specific transactions, and cashiers must comply with the authorized use of these accounts (see 4 FAH-3 H-326). For full details of SDA transactions and for the additional control record to be maintained for SDA collections and payments, see 4 FAH-3 H-320 and the CUG, Chapter 9.0.

4 FAH-3 H-397 CONTROL OF FUNDS

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4 FAH-3 H-397.1 Class B Cashier

4 FAH-3 H-397.1-1 Reconciliation of Funds

(CT:FMP-38; 06-07-2007)

- a. **Operating advance:** When overseas or domestic cashier software does not automatically perform a full reconciliation of the operating cash advance and the collections on a daily basis, the Class B Cashier must manually reconcile daily. Overseas cashiers use Form DS-3058, Cashier's Reconciliation Statement (formerly Form FSC-365). The operating cash advance reconciliation consists of the actual physical count of all cash on hand and of ensuring that all cash advances to subcashiers, cash expenditures, and accommodation exchange transactions are properly documented. The advance is in balance when the total of these documents, the amounts of any replenishment vouchers in transit, and the cash on hand equal the amount of the operating cash advance. The cash on hand must equal the balance shown for each type of currency. Detailed information for overseas cashiers is identified in the CUG, Chapter 11.
- b. **Collections:** The collections reconciliation consists of the actual physical count of all collections cash on hand and the totaling of receipts documented on official collection Form OF-158, General Receipt. The cash and accounts are in balance when the cash and/or bank deposit slips equal the total of all receipt documents (Form OF-158), and the cash equals the balances maintained for official collections. When reconciled, the cashier initials the balances.
- c. Cashiers must retain copies of daily reconciliations for 60 days. The cashier must sign all reconciliations (see CUG, Chapter 11). If a fiscal irregularity is identified prior to disposing of the daily reconciliations, cashiers must retain all daily reconciliations pertaining to the fiscal irregularity until it is resolved and closed.
- d. Detailed guidance for overseas posts for the performance of unannounced verifications is found in the CUG, Chapter 12.

4 FAH-3 H-397.1-2 Verification of Funds—General Provisions

(CT:FMP-73; 06-27-2013)

- a. Unannounced verifications of a Class B cashier must be conducted monthly, regardless of the advance amount. This requirement applies to domestic as well as overseas cashiers. Usually, the U.S. citizen supervisor for the overseas cashier or the bureau supervisor of the domestic cashier performs the verification. Overseas, the U.S. citizen supervisor, with the approval of the USDO, can assign the responsibility to a qualified locally employed staff (LE staff) person, including an eligible family member (EFM). However, acceptance of this collateral duty by the LE staff member should be on a voluntary basis. An employee in this role is referred to as a "cash verification officer" (CVO).

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The process for establishing a CVO is described in paragraph c of this section.

- b. When a verification is performed, the cash supervisor or the CVO must complete and sign and date the verification showing the day, month, and year in which the verification was performed. The CVO is responsible for forwarding verification to the USDO, unless as discussed below, the CVO is a locally employed staff (LE staff) person. If the CVO is an LE staff member, he or she must forward the verification to the responsible U.S. citizen supervisor, who then forwards a copy to the USDO. The USDO must receive an unannounced cash count for each of the 12 months in a calendar year.
- c. The following procedures must be followed to assign an LE staff member as a CVO:
 - (1) The U.S. citizen FMO, management officer, or other agency U.S. citizen employee at post who normally supervises the cashier operation selects the LE staff member as a candidate for performing the monthly cashier reconciliations. The LE staff member may be called the "cash verification officer" (CVO) and must meet the following qualification criteria in addition to the training requirements listed in subparagraph c(3) of this section:
 - (a) Must have knowledge of cashiering and post financial operations;
 - (b) Cannot be an alternate or subcashier to the principal cashier;
 - (c) Must have exemplary performance reviews and demonstrated good judgment and proven reliability;
 - (d) Cannot supervise the cashier or be supervised by the cashier over other duties at posts where the cashier performs other duties; and
 - (e) May not be a family member of the cashier whose account is being verified;
 - (2) The U.S. citizen FMO, management officer, or authorized U.S. citizen employee from another agency requests that the employee be approved to perform the monthly cashier verifications by sending a cable request to the servicing USDO. The cable must state that the employee meets the above qualifications;
 - (3) If the USDO determines that the post is in compliance with current Form DS-3058, Cashier's Reconciliation Statement verification requirements, and the cashier operation has no significant problems, and the regional bureau concurs, the USDO provides initial approval of the employee as a candidate for verification authority. The USDO approves the LE staff member as a CVO once the LE staff candidate successfully completes the following:
 - (a) CGFS-required training for overseas cashier supervisors as determined by CGFS/DO; and
 - (b) At least one monthly cashier verification Form DS-3058 (FSC-365 package) based on procedures in 4 FAH-3 and the Cashier User Guide

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(CUG), in the presence of the U.S. citizen cashier supervisor.

The U.S. citizen cashier supervisor should train the CVO employee performing the reconciliation, as needed, to feel confident that the verifications are performed in accordance with proper procedures;

- (4) It is not required that the CVO authority be renewed when the U.S. citizen supervisor at post changes. However, the new U.S. citizen supervisor may choose to perform the cash verifications himself or herself instead of having the CVO perform them. The USDO has the right to revoke the CVO authority at any time. Clearly document all USDO decisions when the CVO authority is revoked;
- (5) Once the authority to perform cash verifications responsibilities is received, the CVO may perform the cashier verification when directed by the U.S. citizen cashier supervisor. However, the U.S. citizen cashier supervisor is required to perform a verification at least once a quarter;
- (6) When the CVO performs the monthly verification, he or she must sign all required documents (i.e., Form DS-3058, the CUG verifying officer's checklist, etc.). By signing the Form DS-3058 (FSC-365) package, the CVO acknowledges accuracy of the verification and accepts responsibility for any incorrect information reported. In addition, the CVO should bring any operational deficiencies to the attention of the U.S. citizen supervisor;
- (7) When the Form DS-3058 (FSC-365) package is completed and signed by the CVO, the U.S. citizen cashier supervisor must review the package for completeness prior to sending it to the USDO. The U.S. citizen supervisor must acknowledge this review by signing below the CVO's signature on the Form DS-3058 (FSC-365). If there is no U.S. citizen supervisor at post at the time of the verification, send the package to the USDO with a notation that the American supervisor was not at post to review and sign the package;
- (8) If the CVO discovers that a cashier does not balance during the monthly cashier verification, he or she must immediately notify the FMO, regional FMO (or U.S. citizen cashier supervisor), who must then perform his or her own verification. When neither the FMO nor the U.S. citizen supervisor is available, the management officer must be informed and must perform the required action. If the discrepancy still exists, report it to the USDO, who will advise whether the condition should be reported as a fiscal irregularity in compliance with 4 FAH-3 H-397.3.

d. The U.S. citizen cashier supervisor remains responsible for ensuring that the unannounced cashier verifications and reporting procedures are performed in accordance with the requirements in 4 FAH-3 H-397.1-2, paragraph a, and 4 FAH-3 H-397.1-2, paragraph b. In addition, the U.S. citizen supervisor is responsible for any deficiencies in the cashier operation, and failing to carry out the responsibility to protect U.S. Government funds from waste, fraud, or

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misuse may be subject to disciplinary action by the Department of State.

- e. A "rover" or "cashier monitor" serves a function similar to a CVO. However, the rover or cashier monitor performs cash verifications at multiple locations instead of at single location. Individuals who are officially assigned "rover" responsibilities and perform Form DS-3058 (FSC-365) verifications when visiting various posts are given a special regional authority to perform cash verifications. If the rover is hired by the regional bureau, the executive director of the bureau requests the servicing USDO to authorize the individual to perform CVO responsibilities. If the rover is hired by CGFS to perform regional responsibilities, the individual must meet the qualification criteria in subparagraph c(1) of this section and be approved by the USDO. The USDO reserves the right to revoke the rover/cashier monitor regional authority to perform the monthly verification of funds at any time, if the USDO determines there is cause for revocation.
- f. The number of cash verifications per month by a CVO, rover, cashier monitor, or cashier supervisor may vary from location to location, depending upon the experience of the cashier, the complexity of the cashier operation, the length of time the immediate supervisor has served at the location, etc.
- g. All verifications must take place in the presence of the cashier. The verifying officer must completely document, sign, and date each verification and ensure it is also signed by the cashier and all others involved (e.g., U.S. citizen cashier supervisor). The verifying officer must give the cashier a copy of each verification and all supporting documents, including Form DS-3059, List of Items on Hand and List of Transmittals in Transit (formerly Form FMC-99), and the verification checklist shown in the Cashier User Guide (CUG), Chapter 12.0.
- h. The verifying officer (or the U.S. citizen supervisor in the case of CVOs) must send a copy of all monthly verification documents to the servicing USDO and retain copies in the post's files of each verification and supporting documents for 36 months. The servicing USDO or CGFS/S has the authority to discontinue cashier operations at any overseas location where the cashier supervisor does not submit verifications in accordance with this paragraph.
- i. A verification of funds by a roving cashier monitor or FMO visiting a fiscal-serviced post, or a special verification by a Department of State Inspector General representative, will satisfy the unannounced verification requirements of this section. A visiting official's verification may not serve in lieu of an unannounced verification by a cashier's immediate supervisor for more than 2 months in succession.

4 FAH-3 H-397.1-3 Procedures for Verification of Operating Cash Advance

(CT:FMP-73; 06-27-2013)

- a. The cashier-operating cash advance is verified by actual count. To determine

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that the combined totals of cash and the other items equal the amount of the cash advance, the verifier must review the following items:

- (1) Cash on hand, including uncashed replenishment checks;
- (2) Paid receipts (subvouchers) on hand. This step requires the verifying officer to confirm that each paid receipt held by the cashier:
 - (a) Properly describes the goods and services purchased and is properly supported by appropriate receipts;
 - (b) Is supported by documentation showing that the goods and services have been received;
 - (c) Is approved for payment by an official who has approval authority;
 - (d) Is original, up-to-date, and free of alterations;
 - (e) Is dated subsequent to the date of the latest voucher submitted for replenishment;
 - (f) Is sequentially numbered, starting with the numbers on the latest voucher submitted for replenishment; and
 - (g) In instances when an original receipt could not be provided, there is an American supervisor certification that is stamped and signed stating that the internal control is in place to prevent erroneous or a duplicate payments;
- (3) Overseas, copies of all documents sent to the authorized certifying officer for certification and replenishment that have not been processed and have not been credited to the cashier's accountability (in-transit items sent to the servicing USDO for which replenishment or acknowledgment has not been received). The verifying officer must independently verify the amounts on these documents, by requesting the authorized certifying officer to confirm them against the certified originals. The cashier supervisor must then follow up each of these in-transit documents identified during the unannounced verification to confirm that they were processed by the USDO and entered in the cashier's accountability reports;
- (4) Cashier bank account balance (see 4 FAH-3 H-395) and the corresponding bank statement, if applicable;
- (5) Interim receipts for advances to subcashier(s) and alternate cashier(s);
- (6) Amount(s) listed as disbursed for accommodation exchange since the last replenishment voucher was submitted. (This amount must be offset by an equal or equivalent amount in checks and/or deposit slips on hand, which are to be transmitted to the USDO and are not a part of the operating cash advance);
- (7) Interim receipts for cash to others. The verifier must confirm that each interim receipt held by the cashier:

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- (a) Properly describes the purpose of the interim advance;
- (b) Is approved by an official who has approval authority; and
- (c) Is dated subsequent to the date of the latest voucher submitted for replacement;
- (8) Payroll cash and related receipts totaling the full amount obtained by the cashier, if applicable;
- (9) Travelers checks and related accountability, if the cashier is authorized to issue them. Receipts for payments, checks for accommodation exchange, and any in-transit items over 30 days old are to be explained to the satisfaction of the verifying officer.

b. The certifying officer should not certify any receipt that does not meet all of the above requirements or that cannot be resolved at the time of the verification until the problems are resolved. If the transactions have already been certified or cannot be resolved within 24 hours, list the transactions separately explaining the errors and submit them to the CGFS cashier monitor with the rest of the monthly unannounced documentation.

c. The verifier should also follow up with an e-mail or a cable to the CGFS cashier monitor or designated organization for domestic cashiers restating the problems found and request assistance in resolving the problems.

d. Additional detailed guidance for performing unannounced verifications of operating cash is found in the CUG, Chapter 12.

4 FAH-3 H-397.1-4 Verification of Funds - Official Collections

(CT:FMP-87; 01-07-2015)

- a. Official collections are verified by determination that:
 - (1) All *moneys* received have been officially receipted on Form OF-158, General Receipt, and subsequently reported as processed by the USDO on the Disbursing Accountability Cashier Collection (ACDC.014) accountability record maintained for official collections. The process must include a review of all serially numbered Form OF-158 receipts, including those that have been voided; and
 - (2) There must also be a confirmation that the amounts reported on the previous month's cash verification as remitted and in transit to the USDO were subsequently received and processed by the USDO. This last step is critical and must be completed by the verifying officer when performing monthly cash verifications (see Cashier User Guide (CUG), Chapter 12).
- b. The cashier must explain to the satisfaction of the verifying officer unprocessed official collections over 1 day old being held. Treasury cash management regulations require the deposit of all collections in 1 day, except as noted in 4 FAH-3 H-396.5. The cashier must have the original and all copies of each

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voided Form OF-158 and be able to explain the circumstances for each one.

- c. Consular collections are verified by comparing records of fees collected through the Automated Cash Register System (ACRS) used by the consular section against CGFS records. At the end of each month the accountable consular officer (ACO) will send the financial management officer (FMO) two copies of the Daily Accounting Sheet (DAS) generated by ACRS. The DAS will identify consular collections received by the class B cashier by the serial numbers of the corresponding Form OF-158, General Receipt. The FMO must verify the amounts recorded in the DAS against the records of Form OF-158s in the ACDC.014 from CGFS. If a receipt recorded in the DAS is not identified in the ACDC.014, the FMO must resolve or document the discrepancy. If there is no discrepancy, the FMO will sign both copies of the DAS, retain one, and return the other to the ACO. If there are multiple ACRS machines in the consular section, each will produce a separate DAS that must be verified. See 7 FAH-1 H-743.5 and 7 FAH-1 H-771.3.
- d. Offsite collection of machine-readable visa (MRV) fees is not accounted for through ACRS and is not included in the procedures in paragraph c of this section. In addition to the general verification of collections in paragraph a of this section, the ACO will periodically compare the cumulative number of MRV fees collected against the cumulative number of nonimmigrant visa applications as described in 7 FAH-1 H-744.2 and 7 FAH-1 H-752. To carry out this comparison, the class B cashier will send the ACO a copy of each Form OF-158 reflecting receipt of MRV funds from the collection agent.

4 FAH-3 H-397.2 Subcashier

4 FAH-3 H-397.2-1 Designation

(CT:FMP-38; 06-07-2007)

- a. Overseas, the FMO, management officer, or the U.S. citizen supervisor of the Class B Cashier designates a subcashier to the Class B cashier for those subcashiers with authorized advances under U.S. dollar equivalent (USDE) 10,000 (including local currency equivalent). For subcashiers with advances of USDE 10,000 or more, the FMO, management officer, or U.S. citizen supervisor must request designation of the subcashier (and authorization of the subcashier advance) from the servicing USDO (see 4 FAH-2 H-813.1, 4 FAH-3 H-392, 4 FAH-3 H-393.2, and 4 FAH-3 H-394.3). This includes requests for designation of subcashiers of an agency other than the Department of State (see 4 FAH-3 H-399.1).
- b. The designation letter addressed to the subcashier states the authorized advance amount and specifies the types and limits of transactions that the subcashier may perform, such as cash payments for general services up to USDE 500 per transaction. File a copy of the letter in the Class B cashier file.

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4 FAH-3 H-397.2-2 Reconciliation of Funds

(CT:FMP-38; 06-07-2007)

- a. The subcashier reconciles the operating cash advance daily, if possible, but not less than once a week. The reconciliation consists of actual physical count of all cash on hand and ensuring that all cash expenditure transactions are properly documented. The advance is reconciled when the receipts and cash on hand equal the amount of the operating cash advance.
- b. The subcashier reconciles collections with the supporting documents each day immediately prior to turning all collections over to the Class B cashier.

4 FAH-3 H-397.2-3 Verification of Funds—Subcashier

(CT:FMP-73; 06-27-2013)

- a. An unannounced verification of the subcashier funds is required at least monthly when the advance amount is U.S. dollar equivalent (USDE) 1,000 or more (quarterly for amounts less than USDE 1,000). However, unannounced verifications can be done at any time for any advance amount if deemed necessary by the U.S. citizen supervisor, cash verification officer (CVO), or servicing U.S. disbursing officer (USDO). For consular subcashiers that routinely hold collections overnight, the unannounced verification of the subcashier funds is required at least monthly, even though the authorized advance amount may be under USDE 1,000. The accountable consular officer (ACO) is the verifier for consular subcashiers.
- b. The authorization to perform unannounced verifications at intervals that are less frequent than monthly for cash advance amounts under USDE 1,000 is implemented at the discretion of Office of Global Disbursing Operations (CGFS/DO) for domestic cashiers and the USDO for overseas cashiers. The authorization to perform quarterly verifications for cash advance amounts under USDE 1,000 is optional and being permitted for cost and logistical reasons. CGFS/DO and USDOs have the authority to require monthly verifications if conditions warrant a more frequent schedule for a specific location, activity, or collection volume.
- c. The FMO or the Class B cashier supervisor, when there is no FMO, must designate subcashier verifiers that are adequately trained in cashier operations to ensure verification standards are implemented. The qualifications (see 4 FAH-3 H-397.1-2, paragraph d) for individuals performing subcashier verifications, including accountable consular officers, must be sufficient to ensure that adequate controls are in place. Whenever possible, individuals designated as CVOs (see 4 FAH-3 H-397.1-2) should perform subcashier verification, since these individuals are familiar with and perform the more complex cashier verifications.
- d. The Class B cashier may require a cash verification of a subcashier advance at

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any time.

- e. The Class B cashier supervisor is responsible for assisting the Class B cashier with any difficulties in obtaining subcashier verifications, which includes terminating a subcashier advance if verifications cannot be conducted and submitted in a timely manner.
- f. The subcashier's U.S. citizen supervisor is responsible for ensuring that the verifications are done in a timely manner.

4 FAH-3 H-397.3 Differences in Cashier Funds and Records

(CT:FMP-73; 06-27-2013)

- a. Differences in cashier funds could be the basis for a fiscal irregularity. When a difference is identified, various actions should be implemented.
- b. **Action by the cashier:** If an unreconcilable cash difference (overage or shortage) is discovered by the cashier during a normal daily reconciliation of funds and records, the cashier notifies his or her supervisor and acknowledges the difference in writing. (A subcashier discovering an unreconcilable difference notifies his or her supervisor and the Class B cashier and acknowledges the difference in writing.) This documentation and the amount of the difference are carried as part of the fund until resolved or declared a fiscal irregularity. (See also 4 FAH-2 H-832 and 4 FAH-2 H-833.)
- c. **Action by the verifying officer:** When the verifying officer performs a monthly verification and the cashier's account does not balance, the verifier must track the difference to determine if it is resolved by the next monthly verification. By the next month, if the difference (overage or shortage) is not corrected, or sooner, if it is clear that there is a loss of funds, a fiscal irregularity must be reported. Overseas, if the verifying officer is a locally employed staff (LE staff) cash verification officer (CVO), he or she must report the irregularity to the cashier's U.S. citizen supervisor. The fiscal irregularity is then reported to the U.S. disbursing officer (USDO) in accordance with paragraph d of this section. An overage of cash is also considered a fiscal irregularity that must be reported.
- d. **Actions by the financial management officer (FMO), domestic cashier supervisor, or management officer:**
 - (1) The difference or problem in the cashier verification is reported to the post and regional security officer or designated organization for domestic cashiers. If the FMO, domestic supervisor, or management officer initially determines that the source of the loss was due to a cashier's impropriety, then the funds and documents should be impounded and arrangements made for a complete verification and audit of the fund. After the audit, the fund must be transferred to a new or the alternate cashier;

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(2) When it has been determined that there is a cashier fiscal irregularity, the post FMO (management officer if FMO is not available) or domestic cashier supervisor must report it in accordance with the following procedures:

- (a) For a Department of State cashier, the fiscal irregularity must be reported to CGFS/FPRA/FP;
- (b) For overseas cashiers, information in the format shown in the Cashier User Guide (CUG), Chapter 18.1 and 4 FAM 374 must also be reported to the USDO. (See also 4 FAH-2 H-834 and 4 FAH-3 H-316.) Send copies of the report to the regional security officer (RSO). If there is indication of fraud, malfeasance, or a violation of criminal statutes and/or Department of State regulation(s), as specified in 2 FAM 035, a report must be made expeditiously to the Office of Inspector General (OIG);
- (c) The procedure for domestic cashiers is the same as overseas cashiers with one exception. The cashier supervisor should send the equivalent RSO report for a domestic cashier to the security officer in the applicable domestic bureau; and
- (d) For cashiers of agencies other than Department of State, the fiscal irregularity must be reported in accordance with the agency's own procedures. A copy of the report must be sent to the USDO.

e. Once any difference is identified as a fiscal irregularity, the individuals identified in 4 FAH-3 H-397.3, paragraph d, must ensure that it is reflected in all reconciliation and accountability reports until it is resolved. Under conditions where resolution of an irregularity may be lengthy due to the investigation (over 90 days from date of identification), the amount of the loss may be transferred by journal voucher from the current cashier accountability to the USDO "loss-relief not granted" account. This action should be conducted within 60 days after reporting the fiscal irregularity.

f. If the fiscal irregularity is a cash loss, the USDO may temporarily increase the cashier advance of the new or alternate cashier that received the fund, if cash is needed for daily cashier operations.

4 FAH-3 H-397.4 U.S. Disbursing Officer (USDO) Action When a Fiscal Irregularity is Reported

(CT:FMP-73; 06-27-2013)

a. The U.S. disbursing officer (USDO) must perform the following when transferring fiscal irregularities from the cashier to the USDO or agency accounts:

(1) **For Department of State cashiers:** If the fiscal irregularity is not resolved within 60 days of the initial report, the USDO will transfer the fiscal irregularity from the cashier accountability to the USDO

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accountability and report the irregularity on line 5.1 of Form SF-1218, Statement of Accountability. This includes unresolved fiscal irregularities under USDE 500. Post remains responsible for the irregularity until resolution and closure;

(2) **For cashiers other than Department of State:** If the agency has not provided fiscal data to clear the cashier fiscal irregularity within 60 days, the USDO transfers the fiscal irregularity from the cashier to the other agency's suspense account to be resolved by that agency. The USDO will not report other agency fiscal irregularities on his or her Form SF-1218, Statement of Accountability.

b. For all cashier fiscal irregularities, the USDO should perform the following:

- (1) Contact the post's FMO or management officer to determine if internal controls need to be strengthened to prevent a reoccurrence of the event;
- (2) Provide the assistance needed by the post to identify and strengthen internal controls or improve cashiering practices; and
- (3) Ensure that the proper CGFS reviews were conducted (e.g., cashier monitors notified post of unusual transactions on Form DS-3058 (formerly Form FSC-365), Cashier's Reconciliation Statement, with verification documentation and that the cashier supervisor performed unannounced verifications).

c. Additional USDO responsibilities are identified in 4 FAH-2 H-837.

4 FAH-3 H-397.5 Decisions Required to Resolve Cashier Fiscal Irregularities

(CT:FMP-73; 06-27-2013)

- a. For Department of State cashiers, the procedures for resolving fiscal irregularities differ depending on the amount of the fiscal irregularity (see 4 FAH-3 H-397.5-1, 4 FAH-3 H-397.5-2, and 4 FAH-3 H-397.5-3).
- b. For cashiers of agencies other than Department of State, resolve fiscal irregularities in accordance with the agency's own procedures. Agencies should notify the post and the U.S. disbursing officer (USDO) when the case is resolved and provide appropriate fiscal data to close the case. The cashier monitors will track the fiscal irregularity as open until the USDO is notified by the agency that the case is closed, or when the case is transferred to the agency suspense account.

4 FAH-3 H-397.5-1 Cashier Fiscal Irregularities Under \$500

(CT:FMP-73; 06-27-2013)

- a. The cashier supervisor must prepare a report for the chief of mission (COM) at post to approve action for resolution of the irregularity, following procedures in

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4 FAM 374. Copies of the report must be sent to CGFS/FPRA/FP and the USDO.

- b. The COM determines in writing whether there are grounds to relieve the cashier (or other accountable officer) of liability for the shortage. The cashier (or other accountable officer) has the right to appeal the decision to require restitution and may present the case to CGFS/FPRA/FP for the Committee of Inquiry into Fiscal Irregularities to review.
- c. When the cashier chooses to appeal a post decision, follow the procedures described in 4 FAH-3 H-397.5-2, even if the amount is less than U.S. \$500.

4 FAH-3 H-397.5-2 Cashier Fiscal Irregularities Between \$500 and \$3,000

(CT:FMP-73; 06-27-2013)

- a. The Committee of Inquiry into Fiscal Irregularities (the committee) must resolve fiscal irregularities between U.S. dollar equivalent (USDE) 500 and USDE 3,000 (dollars and local currency equivalent added together); irregularities involving post decisions being appealed by overseas cashiers; and those involving domestic cashiers. The principal officer or the executive director for the domestic location submits a report of the shortage to CGFS/FPRA/FP with details of the shortage, as required by 4 FAH-2 H-836. The report should contain a specific recommendation for consideration by the committee and sufficient factual information to support the recommendation. CGFS/FPRA/FP enters the fiscal irregularity into the database and provides the domestic bureau or USDO and post with a fiscal irregularity case number. The domestic bureau, post, and USDO, as appropriate, are notified of any committee decisions and case resolutions with recommendations.
- b. The committee reviews all available facts and makes decisions and may make recommendations to post, bureau, and/or the Bureau of Human Resources (HR). It may concur with the recommendations from the submitting official. The committee recommends a collection action and/or to grant relief (or, if the amount is more than USDE 3,000, recommend that relief be sought from the Government Accountability Office). The committee may also make specific recommendations that address the cause or condition that resulted in the cashier fiscal irregularity, including, where appropriate, corrective action to improve cashier controls.

4 FAH-3 H-397.5-3 Cashier Fiscal Irregularities Over \$3,000

(CT:FMP-61; 10-07-2010)

Cashier fiscal irregularities involving amounts over U.S. dollar equivalent (USDE) 3,000 should be documented for the Committee of Inquiry into Fiscal Irregularities in a manner consistent with 4 FAH-3 H-397.5-1. However, fiscal irregularities involving amounts in excess of USDE 3,000 will be referred to the Government

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Accountability Office (GAO) if the Committee decides that there are grounds to seek relief. (See also 4 FAH-2 H-836 and the CUG, Chapter 18.)

4 FAH-3 H-397.6 Restoration of Shortages

4 FAH-3 H-397.6-1 Restitution from the Cashier

(CT:FMP-73; 06-27-2013)

Regardless of the amount, when the cashier has made restitution by restoring funds to the advance, the management officer or designated person completes a verification of the fund to confirm it is balanced. The cashier and the verifying officer sign the record of the verification. The management officer acknowledges by memorandum to the cashier that restitution was made, and the cashier's written acknowledgment of the shortage is removed from the accountability records and returned to the cashier. All documents related to the shortage and restitution should be sent to the Office of Financial Policy (CGFS/FPRA/FP) and the servicing U.S. disbursing officer (USDO). Copies of all documents pertaining to the shortage and restitution are retained in the cashier and post files (see 4 FAH-3 H-393.2-4). If the cashier is not able to make restitution, the debt collection process referred to in 4 FAH-3 H-397.6-3 should be followed.

4 FAH-3 H-397.6-2 Restoration From Granting of Relief

(CT:FMP-73; 06-27-2013)

- a. When relief is properly granted by the chief of mission (COM), the Committee of Inquiry into Fiscal Irregularities, or the U.S. Government Accountability Office, the decision is communicated in writing to the cashier. The shortage is charged to the post or domestic allotment. The post or domestic bureau prepares a voucher that:
 - (1) References the decision to grant relief;
 - (2) Authorizes a check or electronic funds transfer (EFT) payable to the cashier for the amount of the shortage to be replaced; and
 - (3) Charges the post or domestic allotment (please note that this is usually the fiscal year in which the loss occurred, but if the circumstances appear unclear, the FMO should request clarification and assistance from the servicing USDO).
- b. The cashier acknowledges relief in writing, stating that a check or EFT has been received and that the currency has been added to the cashier accountability. The financial management officer or a designated verifying officer performs a normal verification to confirm that the fund is again in balance. For the overseas cashier, the cashier and verifying officer sign Form DS-3058, Cashier's Reconciliation Statement (formerly Form FSC-365) verification forms. The financial management officer sends copies of the verification forms and a copy

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of the cashier's acknowledgement of relief to the designated organization for domestic cashiers, the servicing USDO in the case of an overseas cashier, and to CGFS/FPRA/FP. Copies of all documents pertaining to the shortage and relief are retained in the cashier and post files (see 4 FAH-3 H-393.2-4).

4 FAH-3 H-397.6-3 Termination of Collection

(CT:FMP-38; 06-07-2007)

- a. The post financial management officer or management officer must follow the debt collection procedures in 4 FAM 493, Collection Actions. If efforts to collect the debt fail, post should follow the procedures in 4 FAM 494 on terminating the collection.
- b. After either the Department of State or Department of Justice authorizes the termination of collection activities, the post financial management office personnel prepares a voucher that:
 - (1) References the authorization to terminate the collection effort;
 - (2) Authorizes a check or electronic funds transfer (EFT) payable to the cashier for the amount of the shortage to be replaced; and
 - (3) Charges the post allotment usually the same fiscal year where the loss occurred.
- c. If the post has questions about this process, it should request clarification and assistance from the servicing U.S. disbursing officer (USDO).

4 FAH-3 H-397.7 Overages

(CT:FMP-73; 06-27-2013)

- a. Overages must be reported as a fiscal irregularity with the same requirements as shortages for investigation and reporting (4 FAH-3 H-397.3, paragraph c). An overage is returned to the Department of the Treasury. The financial management officer or management officer instructs the cashier to deposit the overage to 19_1060, Forfeitures of Unclaimed Money and Property.
- b. The cashier prepares Form OF-158, which shows receipt of the overage amount from the cashier. It also identifies it as the deposit of an overage in accordance with the instruction to the cashier, with an accounting classification showing a credit to the Treasury Miscellaneous Fund "19_1060—Forfeitures of Unclaimed Money and Property (Department of State)." Since the cashier is both the source and the receiver of the overage on Form OF-158, General Receipt, the financial management officer or management officer at post or the bureau financial management officer domestically also signs Form OF-158 as "Approved."
- c. A report of the overage, with copies of the management officer's instruction and Form OF-158, is sent to CGFS/FPRA/FP, with any additional documentation

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not previously sent to that office, to close the case. Copies are retained in the cashier and post files (4 FAH-3 H-393.2-5).

4 FAH-3 H-398 CHANGE IN CASHIERS

4 FAH-3 H-398.1 Class B Cashier

4 FAH-3 H-398.1-1 Temporary Absence

(CT:FMP-87; 01-07-2015)

- a. The principal Class B cashier issues a nominal advance to the alternate cashier, which is properly safeguarded by the latter at all times for use during unanticipated brief absences of the Class B cashier. For a planned temporary absence of less than 5 workdays, the Class B cashier issues an additional temporary advance to the alternate in an amount estimated to be sufficient for continuous cashier operations during the Class B cashier's absence. A receipt for each such advance is obtained from the alternate and retained by the Class B cashier as cash on hand.
- b. During the Class B cashier's absences of short duration (5 or fewer workdays), accountability is not changed, and the alternate cashier assumes responsibility for collections and disbursements on behalf of the Class B cashier. Any forms requesting replenishment or remitting collections that are submitted during the absences are prepared in the name of the Class B Cashier, above the signature and typed name of the alternate. Checks issued as replenishment are drawn in the name of the Class B Cashier and are held by the alternate for return of the Class B cashier. Upon return and after accountability for all funds collected and disbursed by the alternate has been verified, the Class B Cashier reclaims all but the alternate's nominal advance and returns the temporary advance receipt to the alternate cashier.
- c. For a planned temporary absence exceeding 5 workdays, the Class B cashier transfers all *moneys* on hand to the alternate, including uncashed advance and replenishment checks that had previously been issued in the Class B cashier's name. Any checks are endorsed by the Class B cashier as payable to the alternate. The Class B cashier must prepare a replenishment voucher for all of the unvouchered receipts on hand before transferring the fund to the alternate cashier.
- d. Detailed procedures for the responsible individuals are found in the cashier section of the Cashier User Guide (CUG), Chapter 3.0.

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4 FAH-3 H-398.1-2 Indefinite or Permanent Change

(CT:FMP-73; 06-27-2013)

- a. **Action by fiscal-servicing post or domestic bureau:** The financial management officer (FMO) at a fiscal-serviced post or domestic bureau notifies the FMO, administrative, or principal officer at the fiscal-servicing post or the designated organization for domestic cashiers when any indefinite or permanent change is required in the Class B or alternate cashier. The servicing post FMO submits a memorandum to the FMO or bureau files, which includes the following information:
 - (1) Name of the outgoing cashier;
 - (2) Location of post;
 - (3) Effective date;
 - (4) Any outstanding discrepancies; and
 - (5) If determined, the name of a replacement Class B cashier or alternate cashier.
- b. The processing for the designation of a replacement cashier is the same as for an initial designation described in 4 FAH H-393.2.
- c. **Action by post or domestic location:**
 - (1) When the duties of a Class B cashier cease, the management officer or the principal officer of the post or the senior supervisory person at a domestic location designates in writing two objective employees to verify the cashier's funds. Overseas, one person must be a U.S. citizen direct-hire officer, preferably from the financial management section, or otherwise trained in cashier operations. All of the verification requirements of 4 FAH-3 H-397 must be performed and documented;
 - (2) If a cashier checking account is maintained at the post, the principal officer informs the bank in writing of the change in personnel authorized to draw on the account.
- d. **Action by outgoing cashier:** Detailed procedures are enumerated in the Cashier User Guide (CUG), Chapter 14.0, for overseas locations. Domestically, consult CGFS/DO for direction and procedures.
- e. **Action by verifying officers:** The verifying officers verify all funds. If differences are discovered, make a report to the FMO and others in accordance with 4 FAH-3 H-397.3.
- f. **Action by incoming Class B cashier:** Detailed procedures are enumerated in CUG Chapter 3.0 for overseas operations. Domestically, consult CGFS/DO for direction and procedures.

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4 FAH-3 H-398.1-3 New Class B Cashier Not Yet Designated

(CT:FMP-30; 04-29-2005)

When a new Class B cashier has not yet been designated, and the current cashier must leave the post, the procedure in 4 FAH-3 H-398.1-1 is followed to transfer the funds and records to the alternate cashier.

4 FAH-3 H-398.1-4 Death, Disablement, or Disappearance of a Class B Cashier

(CT:FMP-38; 06-07-2007)

- a. When a cashier's account requires closing by another person, due to death, disablement, or disappearance, a verifying officer and at least one witness must perform a complete verification of the fund. One individual must be an U.S. citizen direct-hire employee. This procedure results in the final report for the cashier or the final report of transfer to another cashier.
- b. When the verification is completed, the fund must be either turned over to a designated alternate or closed with all funds and related documents and returned to the USDO if overseas or to the bureau if domestic. The final reports of the transfer are prepared by the designated alternate, financial management officer (FMO), management officer, or principal/bureau officer, as available. The reports include an explanation for closing the accounts. The officer who prepares the reports signs them and submits them in the name of the cashier, with both names and titles shown on the reports. Uncashed replenishment checks will be processed for cancellation in accordance with the Cashier User Guide (CUG), Chapter 10.1. The cashier's account must be verified in accordance with 4 FAH-3 H-397. In the case of the disappearance of a cashier, the cashier's supervisor must comply with 4 FAH-3 H-397.3, paragraph b.
- c. When the cashier disappears, takes a noncashier job, or leaves U.S. Government service, and there is an unresolved loss or shortage, the FMO, management officer, or principal/bureau officer prepares a memorandum for the post file that documents the following:
 - (1) Name of the employee;
 - (2) Date of disappearance or termination from the position in which funds shortage occurred;
 - (3) Amount of loss and efforts made to obtain restitution; and
 - (4) Present status of the loss after actions are taken in accordance with 4 FAH-3 H-397.3, paragraph d.
- d. Differences in cashier accountability are fiscal irregularities and must be reported pursuant to 4 FAH-3 H-397.4 and 4 FAM 374. Documentation for money that may be owed the U.S. Government by a departing cashier should

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be sent to the post accounting section to set up a formal claim. This claim should be reviewed during the final salary clearance process for the departing cashier.

4 FAH-3 H-398.2 Subcashier

4 FAH-3 H-398.2-1 Temporary Absence

(CT:FMP-38; 06-07-2007)

- a. The cash advance of a subcashier may, in turn, be advanced to an alternate in the situation of a planned absence on the part of the subcashier. Petty cash payments or change-making may be made from the advance during the subcashier's absence, but only as authorized in the alternate's official designation. The alternate subcashier must ensure that the funds for which he or she is responsible are properly safeguarded during his or her absence.
- b. Send alternate subcashier designations to the Class B cashier, where they must be maintained in the Class B cashier files.

4 FAH-3 H-398.2-2 Indefinite or Permanent Change

(CT:FMP-73; 06-27-2013)

When a subcashier ceases to function, the following actions are performed:

- (1) **Management officer:** Notifies the financial management officer (FMO) at the fiscal-servicing post (CGFS/DO domestically) and the Class B cashier who made the cash advance of the date the subcashier will cease to function, and, if the subcashier operation is to continue at the location, the name of the successor;
- (2) **Outgoing subcashier:**
 - (a) Reconciles the operating cash advance account;
 - (b) Determines that all collections have been delivered to the Class B cashier;
 - (c) Submits the final Operating Cash Advance and Replenishment Voucher, or list of receipts marked "FINAL", to the Class B cashier;
 - (d) Delivers the balance of cash on hand to the Class B cashier; and
 - (e) Retrieves the original operating cash advance receipt from the Class B cashier;
- (3) **Class B cashier.** In the presence of the subcashier, verifies all accounts and funds submitted by the outgoing subcashier. If differences are discovered, they are acknowledged by the outgoing subcashier in writing and are reported to the FMO or the principal authorized certifying officer for action (see 4 FAH-3 H-397). Differences in cashier accountability are fiscal

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irregularities and must be reported pursuant to 4 FAM 370. Immediately send documentation for money that may be owed to the U.S. Government by a departing subcashier to the post accounting section to set up a formal claim. This claim should be reviewed during the final salary clearance process for the departing subcashier. An advance of funds is made to a new subcashier, if named (see 4 FAH-3 H-393.4-5, paragraph c).

4 FAH-3 H-398.2-3 Death, Disablement, or Disappearance of a Subcashier

(CT:FMP-38; 06-07-2007)

- a. When a subcashier's account requires closing by another person due to death, disablement, or disappearance, a verifying officer and at least one witness must do a complete audit of the fund in accordance with 4 FAH-3 H-397.2 and either turn the fund over to a designated alternate or return the fund to the servicing Class B cashier. One individual must be an U.S. citizen direct-hire employee. This procedure for a subcashier mirrors the procedure followed for a cashier under similar circumstances (see 4 FAH-3 H-398.1-4).
- b. The final reports are prepared by the designated alternate, financial management officer (FMO), management officer, or principal/bureau officer, as available. The reports include an explanation for closing the accounts and are signed by the officer who prepares and submits them in the name of the subcashier, with both names and titles shown on the reports.
- c. When a subcashier disappears, takes a noncashier job, or leaves U.S. Government service, and there is an unresolved loss or shortage, the FMO, management officer, or principal/bureau officer, as available, takes the same actions outlined for a Class B cashier in 4 FAH-3 H-398.1-4, paragraph b.

4 FAH-3 H-399 SPECIAL CASHIER PROVISIONS

4 FAH-3 H-399.1 Subcashiers of Other Agencies

4 FAH-3 H-399.1-1 Responsibilities

(CT:FMP-38; 06-07-2007)

At posts where the cashier transactions of an agency other than the Department of State are few, a representative of the agency may request to have an agency employee designated as a subcashier to the Department of State Class B cashier. A subcashier of an agency other than the Department of State must be a direct-hire employee of that agency, unless the agency has authority to designate a personal services agreement (PSA) employee or personal services contractor as a

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cashier. The subcashier of an agency other than the Department of State is an accountable officer.

4 FAH-3 H-399.1-2 Designations

(CT:FMP-38; 06-07-2007)

- a. A request for designation is submitted by the other agency with full justification to the financial management officer (FMO) or the Class B cashier's supervisor at the post. The subcashier's employing agency must approve the requested designation in accordance with that agency's regulations for designation of subcashiers. The request must include the name and title of the Department of State Class B cashier who is to issue the advance; the amount of operating cash advance; and type of currency requested. Prior to submitting the request to the FMO, it must have the written approval of:
 - (1) The Department of State Class B cashier who is to issue the advance;
 - (2) The subcashier agency's administrative, executive, or principal officer at the post; and
 - (3) The Department of State management officer, or, if none, the principal officer of the same post.
- b. The FMO or management officer may designate the subcashier of another agency with advances of U.S. dollar equivalent (USDE) 10,000 or less if approved by the chief of mission (COM). The servicing U.S. disbursing officer (USDO) must designate the subcashier when the advance amount will be over USDE 10,000 (see 4 FAH-3 H-393.2-1).
- c. Copies of the request letter approved by the other agency, and the designation letter approved by the FMO, are retained by the Department of State Class B cashier, the designated subcashier, and in the FMO files at the fiscal-servicing post.

4 FAH-3 H-399.1-3 Advances of Funds

(CT:FMP-38; 06-07-2007)

The representative of the requesting agency determines the amount of operating cash advance, and changes thereto, to be made to the agency subcashier. The original cash advance to the subcashier, and replenishment of the advance, is made in the same manner as for the Department of State cashier (4 FAH-3 H-394.3, paragraph b), except that the Department of State Class B cashier requests replenishment under a separate voucher citing the other agency appropriation(s) chargeable.

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4 FAH-3 H-399.1-4 Limitations

(CT:FMP-30; 04-29-2005)

The subcashier of an agency other than the Department of State, as defined in this subsection, may not perform accommodation exchange or receive official collections unless so indicated in the subcashier's official letter of designation.

4 FAH-3 H-399.1-5 Employing Agency Accounts

(CT:FMP-30; 04-29-2005)

Accounts are rendered to the employing agency in the same manner as prescribed for Department of State cashiers. Normally, the Statement of Operating Cash Advance and Replenishment Voucher is used for this purpose. The employing agency is notified by either the FMO or cashier supervisor when the Department of State Class B cashier is replaced by another Department of State employee who is to issue the advance to the subcashier.

4 FAH-3 H-399.1-6 Reconciliation, Verification, and Audit of Funds

(CT:FMP-38; 06-07-2007)

The requirements in 4 FAH-3 H-390 are applicable to all subcashiers of Department of State cashiers, regardless of agency affiliation, unless indicated otherwise in this subsection. Any differences concerning the funds advanced to a subcashier are the responsibility of the employing agency of the subcashier. Communications regarding such differences are addressed by the financial management officer (FMO) of the fiscal-servicing post to the employing agency. Department of State officials, including representatives of the Office of Inspector General, have authority to verify and audit funds held by subcashiers of any agency. This authority should be understood by the requesting agency official and the subcashier as a condition of extending an advance and should be confirmed with both individuals prior to performing any subcashier duties.

4 FAH-3 H-399.1-7 Cashier Files

(CT:FMP-38; 06-07-2007)

The servicing U.S. disbursing officer (USDO) maintains files on cashiers of other agencies in the same manner as prescribed for Department of State cashiers in 4 FAH-3 H-393.2-4.

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4 FAH-3 H-399.2 Mutilated, Worn, and Old Currency**4 FAH-3 H-399.2-1 U.S. Currency**

(CT:FMP-38; 06-07-2007)

Cashiers should make it a point not to accept damaged U.S. currency for accommodation exchange, official collections, etc. If a cashier obtains mutilated U.S. currency, he or she should send the currency to the Department of the Treasury, Bureau of Engraving and Printing (BEP), and request a replacement. Detailed instructions and procedures for handling mutilated currency are identified in the Cashier User Guide (CUG), Chapter 7, and at the BEP Web site. The post cashier should retain all correspondence, photocopies, and mail registry receipts related to shipping mutilated currency.

4 FAH-3 H-399.2-2 Foreign Currency

(CT:FMP-73; 06-27-2013)

- a. Cashiers are required to take every possible precaution to prevent accepting mutilated foreign currency as a collection, payment to post, or exchange transaction. Any foreign currency that is badly soiled, marked up, or torn should be refused.
- b. In the event that a cashier is holding mutilated foreign currency, every effort must be made to replace it through local banks or the host country central bank.
- c. Should these efforts fail, post management must investigate the circumstances to determine if there was fraud or negligence by the cashier (or other individual) who accepted the mutilated currency. If negligence, which includes carelessness under this circumstance, is determined, the individual who accepted the mutilated currency must personally make restitution. Post management should refer information regarding possible fraud to the Office of Inspector General (OIG).
- d. If not resolved in the manner prescribed above, post management must prepare a detailed report of all relevant evidence and circumstances and send the report to CGFS/FPRA/FP for the Committee for Inquiry into Fiscal Irregularities. Post management should also send the report to the servicing U.S. disbursing officer (USDO) and to the embassy if it is from a constituent post. CGFS/FPRA/FP will notify the post of the Committee's decision.

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4 FAH-3 H-399.2-3 Handling Funds During an Evacuation

(CT:FMP-30; 04-29-2005)

In the event of an evacuation, procedures to remove cashier funds are identified in 4 FAH-3 H-832.2, unless the evacuation order specifically identifies alternative procedures to be followed.

4 FAH-3 H-399.3 Counterfeit Currency

4 FAH-3 H-399.3-1 Fiscal Irregularity From Acceptance

(CT:FMP-38; 06-07-2007)

If a cashier or other accountable employee discovers that a counterfeit instrument has been taken in, this is a reportable fiscal irregularity under the provisions of 4 FAM 370. A shortage must be reported under 4 FAH-3 H-397.3. GAO decisions have established that "A deficiency in an accountable officer's account caused by the acceptance of a counterfeit note constitutes a physical loss for purposes of 31 U.S.C. 3528. This may or may not amount to negligence depending on the facts of the particular case, primarily whether the counterfeit was readily detectable." It is important for cashiers and other accountable officers to "exercise the requisite degree of care" in steps taken to detect counterfeit currency.

4 FAH-3 H-399.3-2 Detection Before Acceptance

(CT:FMP-73; 06-27-2013)

- a. All cashiers who accept either U.S. or local currency have the responsibility of carefully examining the legitimacy of the currency. Train cashiers to recognize counterfeit currency. For U.S. currency, cashiers should be familiar with the booklet Know Your Money, which is available from the Government Printing Office (GPO). The U.S. Secret Service also provides this information at its Web site. For local currency, contact the host government's central bank to determine if a similar publication exists.
- b. **Visual inspection:** Although many posts are extremely busy and take in great quantities of currency, take time to look at bills to see if the features are correct for that denomination (see Know Your Money). Relief cannot be granted on the basis of "press of business."
- c. **Machine verification:** There is equipment available that may increase the possibility of detection. Posts should contact the Office of Global Disbursing Operations (CGFS/DO) for details if counterfeiting is suspected or additional information is needed.
- d. **Training:** The U.S. Secret Service is available to give training in the detection of counterfeit U.S. bills. Posts interested in organizing training during conferences or workshops should contact the U.S. Secret Service office

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responsible for the post area. CGFS/OMA can supply the location of the appropriate U.S. Secret Service office.

e. **Log of higher-denomination bills:** Posts may require cashiers to maintain a log of serial numbers, names, and ID of individuals tendering bills of more than \$20 to assist in tracing the source if a counterfeit bill is received.

4 FAH-3 H-399.3-3 Detecting Suspected Counterfeit Dollar Currency After Acceptance by Post

(CT:FMP-73; 06-27-2013)

- a. If the post or bureau suspects that U.S. dollar currency is counterfeit, it should forward the currency, accompanied by a memorandum titled "Report on Counterfeit Money," to the responsible U.S. Secret Service office to request determination of authenticity. The report should include the specifics of the bills enclosed, i.e., the denomination, check letter and quadrant number, face plate number, back plate number, series year, and in the case of Federal Reserve notes, the name of the issuing bank. If the bills were taken in by a constituent post, it should send a copy of the report, including photocopies of the bills, to the embassy management officer or CGFS/DO. In either case, the reporting post should retain photocopies of the currency forwarded. A copy of the report must be kept with the cashier's funds in place of the currency forwarded.
- b. If the cashier sends the currency and the report through the financial management officer (FMO), management officer, or principal officer, the forwarding officer gives the cashier a receipt for the amount of the currency turned over. A copy of this receipt remains a part of the cashier's accountability records until the money is returned confirmed as negotiable. If the money is not returned, the post must follow the procedure for the restoration or relief of a loss (see 4 FAH-3 H-397.4).
- c. If the report is sent through the open mails, the envelope in which the report is sent should mention neither the Department of State nor the subject of the memorandum. If sent through the diplomatic pouch or the APO, it should be sent registered. Post should retain photocopies of both sides of the bill(s) for reference. The U.S. Secret Service will verify the currency's authenticity, and if it is determined to be counterfeit, will forward the post a receipt for the currency. The accountable officer must keep a copy of this receipt. If the currency is authentic, it will be returned to the post. If it is determined not to be authentic, the post must initiate the process in 4 FAH-3 H-397.4.
- d. The Cashier User Guide (CUG), Chapter 7 provides detailed procedures for handling counterfeit currency. Supplemental information, as well as the U.S. Secret Service forms for reporting counterfeit currency, is also available at the Web site.

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4 FAH-3 H-399.3-4 Detecting Counterfeit Dollar Currency by Local Bank

(CT:FMP-51; 11-07-2008)

If, when depositing U.S. currency in a local (overseas) U.S. disbursing officer (USDO) account, the bank detects the presence of counterfeit U.S. bills, the host country's regulations must be followed. This may involve turning the counterfeit currency over to the local authorities and obtaining a receipt in return. If the currency cannot be kept by the cashier, the report to the U.S. Secret Service described above should include a clear copy or photograph of the note (front and back), presuming that the bank allows post to take such action. The post should also make photocopies of both sides of the bill for its own records, if possible (see 4 FAH-3 H-399.2-1).

4 FAH-3 H-399.3-5 Detecting Suspected Counterfeit Local Currency

(CT:FMP-38; 06-07-2007)

If the post suspects that local currency is counterfeit, host-country regulations must be followed (see the Cashier User Guide (CUG), Appendix A, Section 7).

4 FAH-3 H-399.3-6 Request for Relief

(CT:FMP-38; 06-07-2007)

- a. Upon confirmation from the U.S. Secret Service or the host country government that currency is counterfeit, a request for relief for the accountable officer's loss must be submitted by the principal officer of the post to the Committee of Inquiry into Fiscal Irregularities in accordance with 4 FAM 370. A request for relief will be considered only if the request provides evidence that the loss did not occur by reasons of either:
 - (1) Willful intent to defraud the U.S. Government; or
 - (2) Fault or negligence on the part of the cashier or supervisor.
- b. Negligence with regard to counterfeit currency turns primarily on the question of whether or not the counterfeit was readily detectable. Previous GAO decisions have held that "if the quality of the counterfeit is such that a prudent person in the same situation would question the authenticity of the bill, relief should not be granted. Also, failure to check a bill against a posted list of serial numbers (if available) will generally be viewed as negligence. Finally, failure to follow regulations is negligence."
- c. The post report to the committee must include a receipt for the counterfeit currency note. If the bill was submitted to the U.S. Secret Service, the receipt must be the receipt provided by the U.S. Secret Service. If the counterfeit was discovered upon being deposited in a bank, and the bank has held the

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counterfeit because of the local laws, the official receipt from the bank, including a statement that the currency is being held because of local laws, must be submitted. The post should include a photocopy of the counterfeit bill(s) in its report to allow the committee to verify the quality of the counterfeit bill(s). After the necessary papers are submitted, the committee reviews the request for relief. It then sends a decision to the post. If relief is denied, the accountable officer is held responsible for making good the loss.

4 FAH-3 H-399.4 Cashier Services

4 FAH-3 H-399.4-1 Banking Services

(CT:FMP-30; 04-29-2005)

Full banking services are not a post cashier responsibility. Because of limited personnel resources available to function as cashiers, and the many operational and reconciliation duties they are required to perform, cashiers generally have limited time available to provide conveniences over and above required services.

4 FAH-3 H-399.4-2 Post Policy

(CT:FMP-61; 10-07-2010)

- a. In light of Department of the Treasury restrictions on cash payments, the security required for cashier operations, and increasing availability of electronic banking services, post FMOs or their equivalent in posts without an FMO must establish a post policy for cashier operations that addresses cashier responsibilities, availability, accountability, and local conditions. The cashier hours of operations should be clearly posted on the cashier window, along with a Privacy Act notice covering official transactions with authorized post employees, dependents, TDY visitors, and any other individual doing official business with the cashier.
- b. This post policy should be disseminated to all post personnel and/or posted at the cashier window. The post policy should cover the following:
 - (1) Post-determined restrictions that may be authorized in the Department of State's Foreign Affairs Manual or Handbook (FAM/FAH) but for post policy and management reasons cannot be made available under local conditions. This includes post policies regarding cashier services for both permanently assigned and TDY personnel;
 - (2) The hardship conditions under which cashiers and subcashiers are permitted to make cash payments to direct-hire Americans or contractors for amounts higher than \$25 (see 4 FAH-3 H-394.1-2, paragraph d);
 - (3) Names or titles of individuals with the authority to approve receipts submitted to cashiers under 4 FAH-3 H-394.2-9 and a requirement for signatures on the receipts before presentation to cashiers;

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- (4) Documentation and time periods for addressing cashier payment errors or recording mistakes. For example, the policy statement should advise individuals doing business with the cashier to count their money before leaving the window. Similarly, the policy should remind employees that Form OF-158, General Receipt, is an official receipt; the document must be reviewed at the point it is issued; and any errors must be immediately corrected;
- (5) Restrictions that state employee payments and accommodation exchange are not authorized for second- and third-party checks, including manufacturers' rebate and refund checks. The post policy should require all post personnel to have these types of checks deposited directly into their U.S. bank accounts. Cashiers may accept only third-party checks for approved purposes and only if directly related to official business as determined by the post. For example, from health insurance companies when the checks are for health insurance reimbursements to the employee and the employee is reimbursing the post for medical services covered by the insurance;
- (6) Accommodation exchange will not be conducted for small amounts (e.g., all transactions must exceed \$50). At posts where it is difficult to procure U.S. currency, the post must state in the policy that it reserves the right to impose limits on the amount of cash in U.S. dollars for reverse accommodation exchange, travel advances, and other payments;
- (7) Reverse accommodation exchange for the proceeds of sales of employees' personal property before departure from post will be by EFT to the maximum extent possible. The post policy should state the criteria for making a portion of the proceeds available in cash as authorized in 4 FAH-3 H-394.2-10, paragraph k, as well as a reverse accommodation policy for TDY visitors;
- (8) The servicing U.S. disbursing officer (USDO) has the authority to instruct cashiers to suspend accommodation exchange privileges to individuals because of returned checks. Post policy should state that employees must take the responsibility to minimize the processing of returned checks and that post reserves the right to suspend accommodation exchange privileges when personal checks cashed by the cashier are rejected by the bank and returned to the cashier for collection. The policy should note that rejected checks make an individual a debtor of the U.S. Government, and the cashier and servicing USDO are accountable for the funds until collected. Employees should also be aware that the procedure can be time-consuming, expensive to the post, and that the servicing USDO has the ultimate authority to decide if the accommodation exchange privileges will be reinstated and the circumstances under which this decision will be made; and
- (9) The post process for transporting of cash to a bank or to another

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mission/U.S. Government facility that requires movement through a public accessed area or to a commercial location. Post personnel as well as cashiers should be aware that private vehicles should not be used for transporting official cash and the conditions under which cash may be moved without an escort.

4 FAH-3 H-399.5 Travelers Checks

(CT:FMP-73; 06-27-2013)

- a. All Department of State cashiers are prohibited from selling travelers checks to anyone for their personal use.
- b. Overseas, Class B cashiers are not authorized to stock or sell travelers checks, unless authorized by the servicing USDO to issue travelers checks as travel advances. The request from the cashier's supervisor or management officer at the post must include detailed justification and proposed procedures for obtaining, controlling, issuing, and safeguarding travelers checks.
- c. Class B cashiers are authorized to accept first-party travelers checks only from employees and other persons authorized to make accommodation and reverse accommodation exchange in accordance with 4 FAH-3 H-394.2-4 and as collection for money owed the U.S. Government in accordance with 4 FAH-3 H-396.
- d. Subcashiers are not authorized to sell travelers checks for any purpose.
- e. When authorized to sell traveler checks, each cashier's supervisor must review the inventory of travelers checks to determine the most economical inventory level and reorder point, using the cash turnover guidelines in 4 FAH-3 H-393.2. This review must be done at least once a year.
- f. CGFS/F/WO is responsible for all traveler checks sold by the Department of State cashier. This office, as part of the monthly verification required by 4 FAH-3 H-397.1-2, must review the on-hand inventory of traveler checks and establish a procedure that limits the inventory to the lowest possible amount needed to conduct routine operations.

4 FAH-3 H-399.6 Cashiering Questions or Problems

(CT:FMP-87; 01-07-2015)

Please address questions or problems dealing with the overseas operations of the cashier function to the servicing U.S. disbursing officer (USDO) and the Office of Global Disbursing Operations (CGFS/DO). Address questions regarding domestic operations to the Office of Global Disbursing Operations (CGFS/DO), with a courtesy copy to CGFS/OMA. Address questions regarding the policy, interpretation of the policy, or exceptions to the policy in 4 FAH-3 H-390 to the Office of Financial Policy (CGFS/FPRA/FP).